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R/O SFC 2-13-90

Spcharoff
2/12/90

ADOPTED
SFC
2/13/90

PROPOSED SENATE FINANCE COMMITTEE LETTER OF INTENT FOR CSSB
72(Fin)

It is the intent of the Senate Finance Committee that the Department of Community and Regional Affairs conduct regional Alaska craftsman home program outreach workshops with a frequency adequate to meet the requests of general contractor's in the more remote areas of the state. Furthermore, that the department shall encourage licensed general contractor's from communities temporarily exempted by this legislation to pursue continuing education in arctic engineering and energy efficient thermal construction techniques.

Additionally, it is the intent of the Senate Finance Committee that the Department of Commerce and Economic Development consider the varied educational and cultural diversity of applicants when preparing the Alaska craftsman home training program and the residential contractor's endorsement examination.

It is also the intent of the Senate Finance Committee that the Department of Commerce and Economic Development, in conjunction with the Department of Community and Regional Affairs, prepare informational packets explaining the residential contractor endorsement program. These informational packets shall contain the dates and locations of training seminars and examinations, and shall be mailed to all applicants for general contractor licensure after the effective date of this act.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to registration and licensing of contractors; . . .
Sponsor: Senator Szymanski
Requestor: Senate Finance

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	21.0	21.0	21.0	21.0	21.0	21.0
TRAVEL	1.1	1.1	1.1	1.1	1.1	1.1
CONTRACTUAL SUPPLIES	15.0	15.0	15.0	15.0	15.0	15.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	37.1	37.1	37.1	37.1	37.1	37.1
CAPITAL						
REVENUE	75.0	0	75.0	0	75.0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF/PR	37.1	37.1	37.1	37.1	37.1	37.1
TOTAL	37.1	37.1	37.1	37.1	37.1	37.1

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary) No fiscal impact for FY 90.

SEE ATTACHED

Prepared by: Jennifer Strickler Phone: 465-2144
Division: Occupational Licensing Date: January 23, 1990
Approved by Commissioner: Larry Mercurio Date: 23/1/90
Agency: Department of Commerce & Economic Development

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Changes in CSSSB 72 (Fin)
have no fiscal impact.
This fiscal note is
appropriate. 2/13/90

ANALYSIS
CSSSSB 72 (SA)

The bill establishes an endorsement to the registration of a general contractor who oversees the construction of or who performs alterations to residential structures. This fiscal note represents the anticipated costs associated with the establishment of the registration endorsement for residential contractors.

The division has no way of knowing the number of residential contractors who will be affected by the bill; therefore, calculations in this fiscal note are based on an estimate of 500 of the approximately 1,500 licensed general contractors seeking registration endorsement as a residential contractor. Based on 500, the new category can be expected to cover 1.86% of the administrative costs (500 divided by 26,945 total licensees).

Personal Services: \$21.0

Consists of:

- * 13.00% of a licensing examiner
- * 2.00% of an investigator
- * 1.86% of administrative overhead

Travel: \$ 1.1

This will provide for travel funds for the licensing examiner to administer the examinations twice a year at a location other than Juneau.

Contractual Services: \$15.0

This will provide funding for examination development; communication expenses; printing of applications, examinations, etc.; public notices; exam facility rentals; seminars; and other informational publications necessary.

TOTAL \$37.1

REVENUES:

The revenues identified are based on an endorsement fee for residential contractors, assuming that residential contractors will pay a biennial fee of \$150 (\$75 per year) in addition to their general contractor registration.

FY 90: No anticipated impact.

FY 91: The effective date of the bill is July 1, 1990 and, therefore, revenues are based on an initial 500 contractors seeking a residential endorsement on the same date on which the general contractor's certificate of registration is up for renewal (December 31, 1990). The initial endorsement would be valid for two years, with an expiration date of December 31, 1990. 500 x \$150 license fee = \$75.0.

FY 92: This will be a nonrenewal year and no revenues other than fees from new registrants (not estimated) will be generated. Although no revenues will be received in this year, like all other licensing programs, the program will be covered by program receipts of other occupations renewing during that year.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

R/O SFC 2-13-90

BILL VERSION: CSSSSB 72 (L&C) b
PUBLISH DATE: 4/27/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: " An Act relating to
registration....of contractors:" BRU: Labor Standards & Safety
 Sponsor: Szymanski Components: Wage & Hour
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
 Division: Labor Standards & Safety Date: 4/3/89
 Approved by Commissioner: Jim Sampson Date: 4/3/89
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Changes in CS SSSB 72 (Fin)
 have no fiscal impact.
 This fiscal note is
 appropriate. 2/13/90 vsw

No fiscal impact is
 projected through 1996.

R/O SFC 2-13-90

2/12/90
Frank

6-0388F

2/13/90

Lauterbach

Original sponsor(s): SEN. SZYMANSKI

IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 72 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to registration and endorsements for contractors; prohibiting the use of state money in relation to certain residential work unless the work is performed by a general contractor who has a residential contractor endorsement; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 08.01.050(a) is amended to read:

(a) The department shall perform the following administrative and budgetary services when appropriate:

- (1) collect and record fees;
- (2) maintain records and files;
- (3) issue and receive application forms;
- (4) notify applicants of acceptance or rejection as determined by the board or as determined by the department under AS 08.11 for audiologists, under AS 08.18 for contractors, under AS 08.45 for naturopaths, or under AS 08.55 for hearing aid dealers;
- (5) designate dates examinations are to be held and notify applicants;
- (6) publish notice of examinations and proceedings;
- (7) arrange space for holding examinations and proceedings;
- (8) notify applicants of results of examinations;
- (9) issue licenses or temporary licenses as authorized by the board or as authorized by the department under AS 08.11 for

1 audiologists, under AS 08.18 for contractors, under AS 08.45 for
2 naturopaths, or under AS 08.55 for hearing aid dealers;

3 (10) issue duplicate licenses upon submission of a written
4 request by the licensee attesting to loss of or the failure to receive
5 the original and payment by the licensee of a fee established by
6 regulation adopted by the department;

7 (11) notify licensees of renewal dates at least 30 days
8 before the expiration date of their licenses;

9 (12) compile and maintain a current register of licensees;

10 (13) answer routine inquiries;

11 (14) maintain files relating to individual licensees;

12 (15) arrange for printing and advertising;

13 (16) purchase supplies;

14 (17) employ additional help when needed;

15 (18) perform other services that may be requested by the
16 board;

17 (19) provide inspection, enforcement, and investigative
18 services to the boards and for the occupations listed in AS 08.01.010,
19 regarding all licenses issued by or through the department;

20 (20) retain and safeguard the official seal of a board and
21 prepare, sign, and affix a board seal, as appropriate, for licenses
22 approved by a board;

23 (21) issue business licenses under AS 43.70.

24 * Sec. 2. AS 08.18 is amended by adding a new section to read:

25 Sec. 08.18.013. CATEGORIES OF CONTRACTORS. The department may
26 adopt regulations establishing categories of contractors and the
27 registration or endorsement requirements for persons in those categor-
28 ies.

29 * Sec. 3. AS 08.18 is amended by adding a new section to read:

Sec. 08.18.024. RESIDENTIAL CONTRACTORS. (a) A general contractor may not undertake the construction or alteration, or submit a bid to undertake the construction or alteration of a privately-owned residential structure of one to four units or advertise or publicly represent that the general contractor may undertake work of this type in the state without a residential contractor endorsement issued under this section. In this subsection, "alteration" means changes that have a value greater than 25 percent of the value of the structure being altered.

(b) The department shall issue a residential contractor endorsement to a person who

(1) has a certificate of registration as a general contractor;

(2) passes a residential contractor examination, which shall be offered by the department at least once each year in each judicial district; the examination, which may be written or practical, may test competence in relation to arctic structural and thermal construction techniques and other matters as determined by the department in consultation with representatives of the construction industry;

(3) applies for an endorsement within six months after passing the examination required under (2) of this subsection;

(4) within the two years preceding the date of application for the endorsement, has satisfactorily completed either the Alaska craftsman home program sponsored by the Department of Community and Regional Affairs, or its equivalent, or a postsecondary course in arctic engineering, or its equivalent;

(5) is not under indictment for, or in the preceding seven years has not been under a sentence for, an offense related to

forgery, theft in the first or second degree, extortion, or conspiracy to defraud creditors or for a felony involving dishonesty; and

(6) pays the appropriate fees.

(c) The department may not renew an endorsement issued under this section unless the applicant submits proof of continued competency relating to residential contracting that satisfies the department. A lapsed endorsement may be reinstated, within two years after the lapse, upon proof of continued competency, payment of a renewal fee for the intervening time period, and payment of any penalty fee established under AS 08.01.100(b). If the endorsement has been lapsed for more than two years, the department may not reinstate it until the person also passes the residential contractor examination described in (b) of this section.

* Sec. 4. AS 08.18.041 is repealed and reenacted to read:

Sec. 08.18.041. FEES. (a) The department shall set fees under AS 08.01.065 for

(1) registration and renewal of registration for all categories of contractors;

(2) examination, issuance of initial endorsement, and renewal of active or inactive endorsements for residential contractors; and

(3) departmental publications and seminars related to this chapter.

(b) A person who fails a residential contractor examination shall pay the examination fee set by the department if the person applies to retake an examination.

* Sec. 5. AS 08.18.116 is amended to read:

Sec. 08.18.116. INVESTIGATIONS. Either the Department of Commerce and Economic Development or the Department of Labor may

investigate alleged or apparent violations of this chapter. These departments, upon showing proper credentials, may enter, during regular hours of work, a construction site where it appears that contracting work is being done. The departments may make inquiries about the identity of the contractor or the person acting in the capacity of a contractor. Upon demand, a contractor or person acting in the capacity of a contractor, or that person's representative, shall produce evidence of current endorsement, if applicable, and registration.

* Sec. 6. AS 08.18.121 is amended by adding a new subsection to read:

(h) The endorsement of a residential contractor is automatically suspended or revoked while the contractor's registration is suspended or revoked.

* Sec. 7. AS 08.18 is amended by adding a new section to read:

Sec. 08.18.123. DENIAL, SUSPENSION, AND REVOCATION OF ENDORSEMENT. (a) The department may suspend, revoke, or refuse to grant or renew a residential contractor endorsement upon a finding that

(1) the application is fraudulent or misleading;

(2) the contractor has knowingly violated this chapter or a lawful order or regulation of the department;

(3) the contractor is incompetent or has engaged in fraudulent practices.

(b) Proceedings for the denial, suspension, or revocation of residential contractor endorsement are governed by the Administrative Procedure Act (AS 44.62).

* Sec. 8. AS 08.18.141(a) is amended to read:

(a) A contractor or a person acting in the capacity of a contractor who knowingly violates [IN VIOLATION OF] AS 08.18.011 or 08.18.024 is guilty of a class B misdemeanor. A person who violates another provision of this chapter is guilty of a violation punishable

under AS 12.

* Sec. 9. AS 08.18.171 is amended by adding a new paragraph to read:

(10) "residential contractor" means a general contractor whose business and operation involve undertaking the construction or alteration of a privately-owned residential structure of one to four units that is used or intended to be used as a human dwelling.

* Sec. 10. AS 37.05 is amended by adding a new section to read:

ARTICLE 6A. MISCELLANEOUS PROVISIONS.

Sec. 37.05.800. RESTRICTION ON USE OF STATE MONEY FOR RESIDENTIAL CONTRACTING. (a) The state may not grant or loan money or purchase a loan for the construction or alteration of a privately-owned residential structure of one to four units unless the grant or loan requires the construction or alteration to be undertaken by a residential contractor with an endorsement issued under AS 08.18. In this subsection, "alteration" means changes that have a value greater than 25 percent of the value of the structure being altered.

(b) The restriction of (a) of this section does not apply to a state loan or grant or purchase of a loan made for work described in AS 08.18.161 that is exempt from the requirements of AS 08.18.

* Sec. 11. TRANSITIONAL LICENSING. Notwithstanding AS 08.18.024(b)(2) and (3), enacted by sec. 3 of this Act, the Department of Commerce and Economic Development shall issue a residential contractor endorsement to a person who

(1) applies for an endorsement under this section by July 1, 1991;

(2) meets the requirements of AS 08.18.024(b)(1) and (4) - (6);
and

(3) has been an active general contractor in the state for three of the five years immediately preceding application for an endorsement

under this section.

* Sec. 12. EXEMPTION. (a) The residential contractor endorsement requirement of AS 08.18.024, enacted in sec. 3 of this Act, and the residential contractor endorsement requirement of AS 37.05.800(a), enacted in sec. 10 of this Act, do not apply to work performed on a residential structure located in a community with a population of 2,500 or fewer.

(b) Notwithstanding AS 08.18.013, enacted by sec. 2 of this Act, the Department of Commerce and Economic Development may not adopt regulations that require a residential contractor endorsement for work exempt from the endorsement requirement under (a) of this section.

(c) This section is repealed July 1, 1992.

* Sec. 13. This Act takes effect July 1, 1990.

1/30/90
(Wedling)
Szymanski

AMENDMENT

OFFERED IN THE SENATE FINANCE COMMITTEE

TO; CSSSSB 72(State Affairs)

Page 6, lines 24 and 25, delete [July 1, 1990] and add December 31, 1990.

AMENDMENT

OFFERED IN THE SENATE FINANCE COMMITTEE

TO; CSSSSB 72 (State Affairs)

Page 7, line 2, delete [1989] and add 1990

PAGE 2
APRIL 25, 1989
AL ADAMS TO STATE AFFAIRS COMMITTEE
RE: SB 72

AMENDMENT #3:

PAGE 3, LINE 13, DELETE THE WORDS "TWICE A YEAR" AND INSERT, "AT LEAST ONCE A YEAR IN EACH JUDICIAL DISTRICT"
CURRENTLY THE BILL HAS THE DEPARTMENT OFFERING THE EXAMINATION ONLY TWICE A YEAR AND BOTH EXAMINATION COULD BE HELD IN ANCHORAGE. TO EXPECT AN APPLICANT IN BARROW TO PAY THE \$700 AIR FARE TO TAKE THIS EXAM IS UNREASONABLE.

AMENDMENT #4:

PAGE 3, LINE 27, AFTER THE WORD "THEFT" INSERT "OF THE FIRST OR SECOND DEGREE AS DEFINED IN A.S. 11.46.120 AND 11.46.130". THIS WOULD LIMIT THOSE INELIGIBLE FOR LICENSES UNDER THE THEFT CATEGORY TO THOSE WHO HAVE TAKEN PROPERTY OR SERVICES GREATER THAN \$500 IN VALUE.

L. Haroff
2/2/90
6-0388P ✓
Lauterbach
2/1/90

Original sponsor(s): SEN. SZYMANSKI

p 4, line 2
lines 13-18
p 6, lines 26-27
p 7, line 10

1 IN THE SENATE

2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 72 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to registration and endorsements for
7 contractors; prohibiting the use of state money in
8 relation to certain residential work unless the work
9 is performed by a general contractor who has a res-
10 idential contractor endorsement; and providing for an
11 effective date."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

13 * Section 1. AS 08.01.050(a) is amended to read:

14 (a) The department shall perform the following administrative
15 and budgetary services when appropriate:

- 16 (1) collect and record fees;
17 (2) maintain records and files;
18 (3) issue and receive application forms;
19 (4) notify applicants of acceptance or rejection as de-
20 termined by the board or as determined by the department under AS 08.-
21 11 for audiologists, under AS 08.18 for contractors, under AS 08.45
22 for naturopaths, or under AS 08.55 for hearing aid dealers;

23 (5) designate dates examinations are to be held and notify
24 applicants;

- 25 (6) publish notice of examinations and proceedings;
26 (7) arrange space for holding examinations and proceedings;
27 (8) notify applicants of results of examinations;
28 (9) issue licenses or temporary licenses as authorized by
29 the board or as authorized by the department under AS 08.11 for

1 audiologists, under AS 08.18 for contractors, under AS 08.45 for
2 naturopaths, or under AS 08.55 for hearing aid dealers;

3 (10) issue duplicate licenses upon submission of a written
4 request by the licensee attesting to loss of or the failure to receive
5 the original and payment by the licensee of a fee established by
6 regulation adopted by the department;

7 (11) notify licensees of renewal dates at least 30 days
8 before the expiration date of their licenses;

9 (12) compile and maintain a current register of licensees;

10 (13) answer routine inquiries;

11 (14) maintain files relating to individual licensees;

12 (15) arrange for printing and advertising;

13 (16) purchase supplies;

14 (17) employ additional help when needed;

15 (18) perform other services that may be requested by the
16 board;

17 (19) provide inspection, enforcement, and investigative
18 services to the boards and for the occupations listed in AS 08.01.010,
19 regarding all licenses issued by or through the department;

20 (20) retain and safeguard the official seal of a board and
21 prepare, sign, and affix a board seal, as appropriate, for licenses
22 approved by a board;

23 (21) issue business licenses under AS 43.70.

24 * Sec. 2. AS 08.18 is amended by adding a new section to read:

25 Sec. 08.18.013. CATEGORIES OF CONTRACTORS. The department may
26 adopt regulations establishing categories of contractors and the
27 registration or endorsement requirements for persons in those categor-
28 ies.

29 * Sec. 3. AS 08.18 is amended by adding a new section to read:

1 Sec. 08.18.024. RESIDENTIAL CONTRACTORS. (a) Except as pro-
2 vided in (d) of this section, a general contractor may not undertake
3 the construction or alteration, or submit a bid to undertake the
4 construction or alteration of a privately-owned residential structure
5 of one to four units or advertise or publicly represent that the
6 general contractor may undertake work of this type in the state with-
7 out a residential contractor endorsement issued under this section.
8 In this subsection, "alteration" means changes that have a value
9 greater than 25 percent of the value of the structure being altered.

10 (b) The department shall issue a residential contractor endorse-
11 ment to a person who

12 (1) has a certificate of registration as a general contrac-
13 tor;

14 (2) passes a residential contractor examination, which
15 shall be offered by the department at least once each year in each
16 judicial district; the examination, which may be written or practical,
17 may test competence in relation to arctic structural and thermal
18 construction techniques and other matters as determined by the depart-
19 ment in consultation with representatives of the construction indus-
20 try;

21 (3) applies for an endorsement within six months after
22 passing the examination required under (2) of this subsection;

23 (4) within the two years preceding the date of application
24 for the endorsement, has satisfactorily completed either the Alaska
25 craftsman home program sponsored by the Department of Community and
26 Regional Affairs, or its equivalent, or a postsecondary course in
27 arctic engineering, or its equivalent;

28 (5) is not under indictment for, or in the preceding seven
29 years has not been under a sentence for, an offense related to

1 forgery, theft in the first or second degree, extortion, or conspiracy
2 to defraud creditors or for a felony involving dishonesty; and

3 (6) pays the appropriate fees. *moral turpitude deleted*

4 (c) The department may not renew an endorsement issued under
5 this section unless the applicant submits proof of continued compe-
6 tency relating to residential contracting that satisfies the depart-
7 ment. A lapsed endorsement may be reinstated, within two years after
8 the lapse, upon proof of continued competency, payment of a renewal
9 fee for the intervening time period, and payment of any penalty fee
10 established under AS 08.01.100(b). If the endorsement has been lapsed
11 for more than two years, the department may not reinstate it until the
12 person also passes the residential contractor examination described in
13 (b) of this section.

14 d) (1) The residential contractor endorsement requirement of
15 (a) of this section does not apply to work performed
16 on a residential structure located in a community with
17 a population of 4,000 or fewer, and

18 (2) when that work is performed by a licensed general
19 contractor registered under this chapter whose
20 principal place of business is located within that
21 community.

22 * Sec. 4. AS 08.18.041 is repealed and reenacted to read:

23 Sec. 08.18.041. FEES. (a) The department shall set fees under
24 AS 08.01.065 for

25 (1) registration and renewal of registration for all cat-
26 egories of contractors;

27 (2) examination, issuance of initial endorsement, and
28 renewal of active or inactive endorsements for residential contrac-
29 tors; and

(3) departmental publications and seminars related to this
chapter.

(b) A person who fails a residential contractor examination

1 shall pay the examination fee set by the department if the person
2 applies to retake an examination.

3 * Sec. 5. AS 08.18.116 is amended to read:

4 Sec. 08.18.116. INVESTIGATIONS. Either the Department of Com-
5 merce and Economic Development or the Department of Labor may investi-
6 gate alleged or apparent violations of this chapter. These depart-
7 ments, upon showing proper credentials, may enter, during regular
8 hours of work, a construction site where it appears that contracting
9 work is being done. The departments may make inquiries about the
10 identity of the contractor or the person acting in the capacity of a
11 contractor. Upon demand, a contractor or person acting in the capac-
12 ity of a contractor, or that person's representative, shall produce
13 evidence of current endorsement, if applicable, and registration.

14 * Sec. 6. AS 08.18.121 is amended by adding a new subsection to read:

15 (h) The endorsement of a residential contractor is automatically
16 suspended or revoked while the contractor's registration is suspended
17 or revoked.

18 * Sec. 7. AS 08.18 is amended by adding a new section to read:

19 Sec. 08.18.123. DENIAL, SUSPENSION, AND REVOCATION OF ENDORSE-
20 MENT. (a) The department may suspend, revoke, or refuse to grant or
21 renew a residential contractor endorsement upon a finding that

22 (1) the application is fraudulent or misleading;

23 (2) the contractor has knowingly violated this chapter or a
24 lawful order or regulation of the department;

25 (3) the contractor is incompetent or has engaged in fraudu-
26 lent practices.

27 (b) Proceedings for the denial, suspension, or revocation of
28 residential contractor endorsement are governed by the Administrative
29 Procedure Act (AS 44.62).

1 * Sec. 8. AS 08.18.141(a) is amended to read:

2 (a) A contractor or a person acting in the capacity of a con-
3 tractor who knowingly violates [IN VIOLATION OF] AS 08.18.011 or
4 08.18.024 is guilty of a class B misdemeanor. A person who violates
5 another provision of this chapter is guilty of a violation punishable
6 under AS 12.

7 * Sec. 9. AS 08.18.171 is amended by adding a new paragraph to read:

8 (10) "residential contractor" means a general contractor
9 whose business and operation involve undertaking the construction or
10 alteration of a privately-owned residential structure of one to four
11 units that is used or intended to be used as a human dwelling.

12 * Sec. 10. AS 37.05 is amended by adding a new section to read:

13 ARTICLE 6A. MISCELLANEOUS PROVISIONS.

14 Sec. 37.05.800. RESTRICTION ON USE OF STATE MONEY FOR RESI-
15 DENTIAL CONTRACTING. (a) The state may not grant or loan money or
16 purchase a loan for the construction or alteration of a privately-
17 owned residential structure of one to four units unless the grant or
18 loan requires the construction or alteration to be undertaken by a
19 residential contractor with an endorsement issued under AS 08.18. In
20 this subsection, "alteration" means changes that have a value greater
21 than 25 percent of the value of the structure being altered.

22 (b) The restriction of (a) of this section does not apply to a
23 state loan or grant or purchase of a loan made for work

24 (1) described in AS 08.18.161 that is exempt from the
25 requirements of AS 08.18; or

26 (2) performed on a residential structure described in
27 AS 08.18.024(d).

28 * Sec. 11. TRANSITIONAL LICENSING. Notwithstanding AS 08.18.024(b)(2)
29 and (3), enacted by sec. 3 of this Act, the Department of Commerce and

1 Economic Development shall issue a residential contractor endorsement to a
2 person who

3 (1) applies for an endorsement under this section by July 1,
4 1990;

5 (2) meets the requirements of AS 08.18.024(b)(1) and (4) - (6);
6 and

7 (3) has been an active general contractor in the state for three
8 of the five years immediately preceding application for an endorsement
9 under this section.

10 * Sec. 12. This Act takes effect July 1, 1990.

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 29, 1990

SUBJECT: Sectional Analysis
CS SSSB 72(State Affairs)

JAN 29 1990

TO: Senator Mike Szymanski

FROM: Terri Lauterbach *TML*
Legislative Counsel

Following is a sectional analysis of CS SSSB 72(State Affairs):

Section 1 contains technical amendments to reflect the contractor licensing chapter.

Section 2 allows the Department of Commerce and Economic Development to establish categories of contractors and registration requirements for persons in the categories.

Section 3 prohibits a general contractor from overseeing the construction or alteration of a privately-owned residential structure of one to four units unless the general contractor also holds a residential contractor endorsement.

Section 4 provides for fees for residential contractor endorsements and departmental publications and seminars related to contractor endorsements and licenses.

Section 5 allows investigators to request evidence of residential contractor endorsement as well as contractor registration when visiting a construction site.

Section 6 provides that the endorsement of a residential contractor is automatically suspended or revoked while the contractor's registration is suspended or revoked.

Section 7 provides for suspension, revocation, and refusal to grant or renew a residential contractor endorsement under the specified conditions.

Senator Mike Szymanski
Page 2
January 29, 1990

Section 8 provides that violation of the residential contractor endorsement requirement is a class B misdemeanor in the same way that violation of other contractor registration requirements is a class B misdemeanor.

Section 9 provides a definition of "residential contractor."

Section 10 prohibits the use of state money for residential work that is not done by a residential contractor unless the work is exempt from the contractor license requirement in AS 08.18.161.

Section 11 provides for residential contractor endorsements during a transitional period.

Section 12 gives a July 1, 1989, effective date to the bill.

TL:gc
G13/073



Alaska State Legislature

Senator Mike Szymanski

SSSB 72
Back-up

While in Session:
P.O. Box V
State Capitol, Room 11
Juneau, Alaska 99811
(907) 465-4978/4979
FAX (907) 465-2652

During Interim:
3111 C Street, Suite 510
Anchorage, Alaska 99503
(907) 561-7617

165 E. Parks Highway
Legislative Information Office
Wasilla, Alaska 99687
(907) 376-MIKE

MEMORANDUM

TO: Senator Rick Uehling
Co-Chair, Senate Finance Committee

FROM: *Mike* Senator Mike Szymanski

DATE: April 20, 1989

SUBJECT: CS SSSB72 (SSTA)
Registration/licensing of Contractors

Committee Substitute for Sponsor Substitute Senate Bill 72 (SSTA), an Act relating to registration and endorsements for contractors; prohibiting the use of state money in relation to certain residential work unless the work is performed by a general contractor who has a residential contractor endorsement, passed the Senate State Affairs Committee today. A fiscal note from the Department of Commerce and Economic Development reflects a total operating expense of 37.1 and revenue of 37.5 in fiscal year 1990, a copy of the fiscal note is attached.

The Bill received the endorsement of the Alaska State Homebuilders Association, Associated General Contractors, Department of Community & Regional Affairs, Division of Occupational Licensing, Alaska Craftsman Home Program, Alaska Housing Finance Corporation, and Alaska Mortgage Bankers Association.

Due to the positive revenue picture assigned this Bill, I respectfully request you consider waiving this Bill.

Attached are the following documents:

- CS SSSB72 (SSTA)
- Fiscal Note, Dept. of Labor
- Fiscal Note, Dept. of Commerce & Economic Development
- Letter, Kenai Peninsula Builders Association
- Letter, Associated General Contractors of Alaska
- Letter, Alaska State Homebuilders Association
- Letter, Alaska Housing Finance Corporation
- Letter, Alaska Craftsman Home Program
- Letter, Alaska Mortgage Bankers Association

Senate District E

CS SSSB72, Contractor Registration/Endorsement

Testified in favor of CS SSSB72 before Senate Labor and
Commerce Committee:

Larry Taylor
President
Alaska State Homebuilders Association

Gregory L. Jones
Alaska State Homebuilders Association

William E. Schneider
Executive Director
Associated General Contractors of Alaska

Harvey Bowers
Program Manager
Alaska Craftsman Home Program

Randall Burns
Director
Division of Occupational Licensing

Jim Plasman
Deputy Director
Division of Municipal and Regional Assistance

Margaret Nelson
Special Assistant/Public Information Officer
Alaska Housing Finance Corporation

Jim Picard
President
Alaska Mortgage Bankers Association

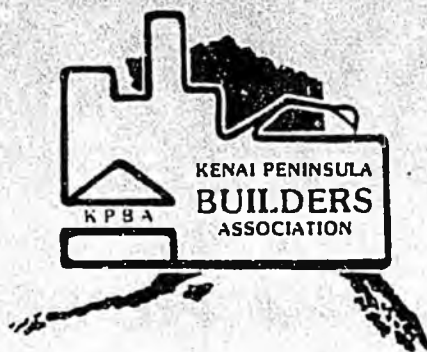
Pat Vincent
Executive Director
Kenai Builders Association

Sandy Tasler
Kenai Builders Association
Kenai Peninsula Board of Realtors

Cliff Baker
Kenai

Harold Stocker
Stocker Construction
Sitka

Steve Shows
Chief Building Inspector
City & Borough of Juneau



April 6, 1989

Senator Mike Szymanski
P.O. Box "Y"
Juneau, Alaska 99811

RE: Sponsor Substitute SENATE BILL 72

Dear Senator Szymanski:

The Kenai Peninsula Builders Association supports the Sponsor Substitute for Senate Bill 72. We would like to thank you for listening to our concerns regarding the original bill, and appreciate your effort in working with members of our industry to create positive legislation in the rewritten bill.

Your bill addresses the serious problem of poor quality construction, an area of great concern to the competent members of the building industry, in a practical and positive way. The requirement for builder education and competency exams in Arctic and thermal construction techniques is certainly a progressive move. Our association supports the Alaska Craftsman Home Program and feels that many of the "mistakes" we've seen in the past will be eliminated through education. Requiring Alaska Housing Finance Corporation to only loan or grant state money for houses built by licensed residential contractors will help ensure compliance across the state.

The Kenai Peninsula Builders Association will continue to ask for your support of state-wide mandatory building inspections as an Underwriting Guideline for any AHFC loan. A five step inspection system would include Plans Approval; Footing, Foundation and Framing Inspection; Insulation Inspection; Electrical and Plumbing Inspection; Final Inspection.

Sincerely,

KENAI PENINSULA BUILDERS ASSOCIATION

Shelby E. Johnson, President

SEJ/pav

cc: Senator Paul Fischer
Senator Jay Kerttula
Representative C. E. Swackhammer
Representative Mike Navarre
Representative Jim Zawacki
Representative Pat Pourchot

Alaska State Home Builders Association
Interior Builders Association of Fairbanks
B. I. A. of Anchorage
Home Builders Association of Juneau
Mat-Su Home Builders Association
Kenai Peninsula Board of Realtors



ASSOCIATED GENERAL CONTRACTORS of ALASKA

4041 B STREET • ANCHORAGE, ALASKA 99501
PO BOX 220409 • ANCHORAGE, ALASKA 99524-0609
TEL: PHONE (907) 561-6354 • FAX (907) 562-6118

April 10, 1989

Senator Mike Szymanski
Alaska State Legislature
P.O. Box V (MS 3100)
Juneau, Alaska 99811

Re: SB 72


Dear Senator Szymanski,

This letter is to advise you of AGC's support for CSSB 72. Following discussion with BIAA, home builder representatives, and your staff, all of our previous concerns have been rectified. We certainly appreciate your time and efforts and the time and efforts of your staff in addressing our concerns.

We urge you and your colleagues to promptly pass CSSB 72.

Sincerely,

ASSOCIATED GENERAL CONTRACTORS
OF ALASKA



William E. Schneider
Executive Director

cc: Greg Jones, BIAA

wfr\szymb72.



**ALASKA STATE
HOMEBUILDERS ASSOCIATION**

RECEIVED APR 4 1989

RE: Committee Substitute for Sponsor
Substitute for SB 72 specifically
for contractors' licensing

April 3, 1989

The Honorable Mike Szymanski
Senator, State of Alaska
P O Box V
Juneau, AK 99811

Dear Senator Szymanski:

The Alaska State Homebuilders Association, through its affiliated local chapters across the State, has spent many hours over several years discussing the issue of licensing for residential contractors. It is not a simple issue, it has many parts to it, and for any licensing to be effective and accomplish its goal of regulation, it must be an integrated package that addresses all of those parts. The current bill before the legislature that concerns licensing for residential contractors has received a great deal of review and input from those most affected by it - the contractors - and Committee Substitute for Sponsor Substitute for SB 72 has the full support of the Alaska State Homebuilders Association. It is our hope that this bill will be passed during the current legislative session.

Thank you for the support you have given to this issue and to this particular bill.

Sincerely,

Larry Taylor
President





520 East 34th St.
Anchorage, AK 99503
(907) 561-1900

P.O. Box 101020
Anchorage, AK 99510

March 24, 1989

The Honorable Mike Szymanski
Alaska State Senate
Alaska State Senator
P. O. Box V
Juneau, AK 99811

RE: SSSB 72

Dear Senator:

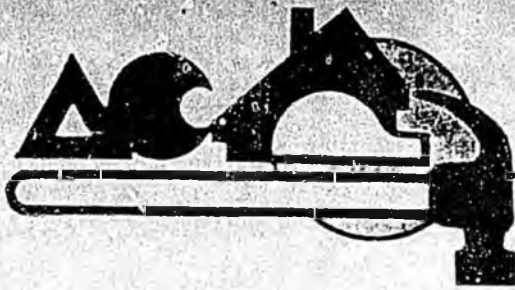
The Alaska Housing Finance Corporation supports SSSB 72 which proposes that state funds cannot be used to finance construction of homes unless the work is performed by a licensed contractor. We believe it is good policy to require that builders seeking state financing attend seminars under the Alaska Craftsman Home Program. These policies help ensure that any financing given is well-spent. Also, the additional financial burden of these requirements is minimal.

Sincerely,

A handwritten signature in cursive script that reads "Margaret Nelson".

Margaret Nelson
Special Assistant/Public Information Officer

ec



ALASKA CRAFTSMAN HOME PROGRAM

March 23, 1989

Senator Mike Szymanski
P.O. Box V
Juneau, Alaska 99811

Dear Senator Szymanski:

The Alaska Craftsman Home Program supports Senate Bill 72, licensing and establishing an education level for contractors. Many of the problems we see over and over again in Alaska are due to failure to understand basic building science, and the dynamics of energy and moisture flow through walls, roofs and foundations.

Requiring some level of education for contractors will not only assure the public but will help protect the State of Alaska to avoid continuation of the current situation in which the State owns thousands of buildings which do not meet any standard or codes.

Often the best laid plans and work of builders go foul due simply to a lack of knowledge and not necessarily reflective of a lack of integrity. The Alaska Craftsman Home Program sees itself as a vehicle in providing education to contractors.

Sincerely,

Harvey Bowers

Harvey Bowers
Program Manager

Cooperative Extension Service
2221 E. Northern Lights Blvd.
Anchorage, Alaska 99508-4143
(907) 279-5582

Cooperative Extension Service
University of Alaska
Fairbanks, Alaska 99775-5200
(907) 474-7201

Energy Library
949 E. 36th Ave., Suite 403
Anchorage, Alaska 99508
(907) 563-1955 ext. 457

A joint project of the Alaska State Homebuilders Association, State of Alaska Department of Community and Regional Affairs, Energy Rated

Homes of Alaska, and University of Alaska Cooperative Extension Service. Funding provided by the U.S. Department of Energy.

PUBLIC OPINION MESSAGE

PUBLIC OPINION MESSAGE

DEAR: SENATOR SZYMANSKI

DEAR: SENATOR SZYMANSKI

NAME: MICKY E. MCLEES
 TITLE:
 ADDRESS: 2314 ROOSEVELT DRIVE #3
 CITY: ANCHORAGE ZIP: 99517
 PHONE: 248-7443
 BILL NO: SB 72
 SUBJECT: REGISTRATION/LICENSING OF CONTRACTORS
 MESSAGE: THE DOWNTURN IN THE ECONOMY HAS CAUSED CONTRACTORS AND INDIVIDUALS
 POSING AS CONTRACTORS TO ENTER INTO CONSTRUCTION PROJECTS FOR WHICH THEY ARE
 NOT QUALIFIED. SB 72 WILL WEED OUT THE UNQUALIFIED WHILE PROTECTING THE HOME
 OWNER AND THE LEGITIMATE ALASKA CONTRACTOR.

NAME: O. "SWEDE" HOLMSTROM
 TITLE: UNITED LUMBER COMPANY, INC.
 ADDRESS: 5011 JEWEL LAKE RD.
 CITY: ANCHORAGE ZIP: 99502
 PHONE: 243-4545
 BILL NO: SB 72
 SUBJECT: REGISTRATION/LICENSING OF CONTRACTORS
 MESSAGE: IT WILL PERPETUATE AND PRESERVE PROFESSIONALISM IN THE CONSTRUCTION
 INDUSTRY AND PROTECT THE HOME OWNER FROM UNQUALIFIED OR UNSCRUPULOUS RESIDENTIAL
 CONTRACTORS. IT APPEARS SELF-SUPPORTED THROUGH LICENSING FEES, THEREFORE NO
 NEGATIVE EFFECT ON THE BUDGET.

POMID: 03110753
 DATE: 04/19/89
 TIME: 11:07:53
 LIONAME: ANCHORAGE LIO

POMID: 03163600
 DATE: 04/24/89
 TIME: 16:36:00
 LIONAME: ANCHORAGE LIO

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

COPIES: REPRESENTATIVES REPRESENTATIVES SENATORS

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
COTTEN	DAVIDSON	DUNCAN
DAVIS, C.	DAVIS, M.	ELIASON
DONLEY	ELLIS	FAHRENKAMP
FINDELSTEIN	FOSTER	FAIKS
FURNACE	GOLL	FISCHER
GRUENBERG	GRUSSENDORF	FRANK
HANLEY	HOFFMAN	HALFORD
HUDSON	JACKO	JONES
KOPONEN	LARSON	KELLY
LEMAN	MACLEAN	KERTTULA
MARTIN	MENARD	PEARCE
MILLER	NAVARRE	POURCHOT
PETTYJOHN	PHILLIPS	RODEY
RIEGER	SHARP	STURGULEWSKI
SHULTZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

BARNES	BOUCHER	ADAMS
BOYER	BROWN	BINKLEY
CATO	COLLINS	COGHILL
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MILLER	NAVARRE	POURCHOT
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RIEGER	SHARP	STURGULEWSKI
SHULTZ	SHACKHAMMER	UEHLING
TAYLOR	ULMER	ZHAROFF
WALLIS	ZAWACKI	

ALASKA MORTGAGE BANKERS ASSOCIATION
P.O. BOX 9-2691 / ANCHORAGE, ALASKA 99509-2691

RECEIVED MAR 23 1989

March 13, 1989

Senator Mike Szymanski
Alaska State Senate
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

Re: Substitute Senate Bill Number 72

The Alaska Mortgage Banker's Association was asked by Carolyn Reitter of your office to provide input regarding the above referenced bill in general and more specifically our ideas regarding prohibiting state funding for residential structures that are not built by "residential contractors."

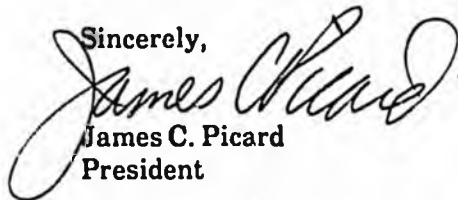
As time was of the essence, the AMBA Board of Directors and general membership did not have time to review this proposed legislation as they are not scheduled to meet until next week. The AMBA State Legislative Affairs Committee did review the proposed legislation on March 9, 1988, and voted unanimously its full support. We anticipate the general membership and board will concur with our decision.

There have been a number of cases where contractors unfamiliar with appropriate arctic building techniques have built structures which have experienced serious structural, energy or foundation problems. A licensing and education process for residential contractors will go a long way in minimizing this type of problem in the future. We believe consumers should be protected against such practices which were common in Alaska in the past. Withholding state funding will result in this restriction becoming the standard for other nonstate investors.

While the committee does not wish to slow this particular bill down with additional language, we would like to say that we believe that future licensing of the appraisal industry, with other requirements, will also assist the state.

Thank you for giving AMBA the opportunity to provide input on this bill.

Sincerely,



James C. Picard
President

2/12/90

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF COMMUNITY & REGIONAL AFFAIRS

OFFICE OF THE COMMISSIONER

- P.O. BOX B
JUNEAU, ALASKA 99811-2100
PHONE: (907) 465-4700
- 949 E. 36TH AVENUE, SUITE 400
ANCHORAGE, ALASKA 99508-4302
PHONE: (907) 563-1073

December 15, 1989

CERTIFICATION OF POPULATION

Under the authority vested in me by AS 29.60.020, AS 29.60.150 and AS 29.60.370, I, David Hoffman, Commissioner of the Department of Community and Regional Affairs, do hereby certify the population of each municipality as of July 1, 1989, as shown on the attached "Municipal Population Report."

12/15/89
Date

Remond Henderson for
David G. Hoffman
Commissioner

<u>MUNICIPALITY</u>	<u>POPULATION</u>
Akhiok^	93
Akiachak	468
Akiak	259
Akutan^	432
Alakanuk	565
Aleknagik	159
Aleutians East Borough*	2,511
Allakaket	202
Ambler^	309
Anaktuvuk Pass^	254
Anchorage, Municipality of*	222,950
Anderson	635
Angoon	685
Aniak	558
Anvik	89
Atka	90
Atmoutluak	239
Atkasuk^	225
Barrow^	3,379
Bethel	4,390
Bettles	45
Brevig Mission	197
Bristol Bay Borough*	1,451
Buckland^	302
Chefornak	299
Chevak	594
Chignik^	128
Chuathbaluk	127
Clark's Point	87
Coffman Cove**	195
Cold Bay^	158
Cordova	2,619
Craig	1,231
Deering^	165
Delta Junction	1,185
Dillingham	2,232
Diomede	184
Eagle	174
Eek	279
Ekwok	122
Elim	294
Emmonak	675
Fairbanks^	28,251
Fairbanks North Star Borough*	72,361
Fort Yukon	642
Galena	928
Gambell	520
Golovin	154
Goodnews Bay	230
Grayling	228

Haines^	1,160
Haines Borough*	2,845
Holy Cross	276
Homer^	4,338
Hoonah	894
Hooper Bay	807
Houston^	738
Hughes	75
Huslia	225
Hydaburg	457
Juneau, City & Borough*	29,946
Kachemak^	418
Kake	678
Kaktovik^	224
Kaltag	268
Kasaan	69
Kasigluk	433
Kenai^	6,543
Kenai Peninsula Borough*	40,312
Ketchikan^	7,730
Ketchikan Gateway Borough*	12,630
Kiana^	414
King Cove^	790
Kivalina^	298
Klawock	897
Kobuk^	87
Kodiak^	6,774
Kodiak Island Borough*	15,558
Kotlik	452
Kotzebue^	3,705
Koyuk	224
Koyukuk	138
Kupreanof	52
Kwethluk	541
Lake & Peninsula Borough*	1,844
Larsen Bay^	149
Lower Kalskag	273
Manokotak	370
Marshall (Fortuna Ledge)	294
Matanuska-Susitna Borough*	37,985
McGrath	533
Mekoryuk	190
Metlakatla (Other)	1,386
Mountain Village	742
Napakiak	315
Napaskiak	331
Nenana	555
New Stuyahok	374
Newhalen^	168
Newtok	220
Nightmute	161
Nikolai	113

Nome	4,303
Nondalton^	229
Noorvik^	600
North Pole^	1,610
North Slope Borough*	7,813
Northwest Arctic Borough*	7,081
Nuiqsut^	324
Nulato	362
Nunapitchuk (Akolmiut)	372
Old Harbor^	322
Ouzinkie^	204
Palmer^	2,988
Pelican	251
Petersburg	3,440
Pilot Station	455
Platinum	74
Point Hope^	610
Port Alexander	119
Port Heiden^	121
Port Lions^	300
Quinhagak	499
Ruby	243
Russian Mission	266
Saint George	188
Saint Mary's	491
Saint Michael	303
Saint Paul	586
Sand Point^	993
Savoonga	511
Saxman^	308
Scammon Bay	306
Selawik^	672
Seldovia^	565
Seward^	2,829
Shageluk	152
Shaktoolik	197
Sheldon Point	131
Shishmaref	430
Shungnak^	214
Sitka, City & Borough*	8,257
Skagway	704
Soldotna^	3,733
Stebbins	394
Tanana	414
Teller	237
Tenakee Springs	108
Thorne Bay	525
Togiak	713
Toksook Bay	446
Tuluksak	357
Tununak	335

Unalakleet	740
Unalaska	2,265
Upper Kalskag	149
Valdez	7,193
Wainwright^	512
Wales	161
Wasilla^	3,342
White Mountain	180
Whittier	299
Wrangell	2,630
Yakutat	527

* Municipal/Borough Population
 ^ Included in borough subtotal

** Coffman Cove incorporated 10/89

Population Exemption for CSSB 72 (Fin):

Population Threshold of 2,500:

Communities included:

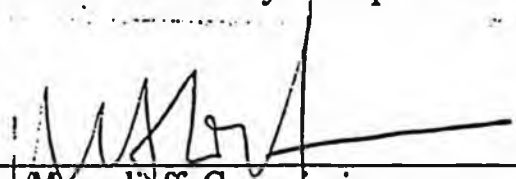
Municipality of Anchorage	222,950
Barrow	3,379
Bethel	4,390
Cordova	2,619
Fairbanks	28,251
Homer	4,338
Juneau C&B	29,946
Ketchikan	7,730
Kodiak	6,774
Kotzebue	3,705
Nome	4,303
Palmer	2,988
Petersburg	3,440
Seward	2,829
Sitka C&B	8,257
Soldotna	3,733

CSSSSB 72 (SA): An Act relating to registration and licensing of contractors; prohibiting the use of state money for certain residential work unless the work is performed by a licensed residential contractor; and providing for an effective date.

SB 72, as amended, proposes to improve the quality of residential construction work in Alaska by creating a special licensing category, including examination and competency requirements, for residential contractors. In addition, the bill prohibits the use of State funds for construction or alteration of residential structures unless the work is performed under the oversight of a licensed residential contractor.

Currently, construction contractors must register with the State and are required to post a \$10,000 bond if a general contractor or a \$5,000 bond if a specialty or mechanical contractor. SB 72 requires a general contractor seeking to build residential structures of up to four units to first obtain a special endorsement to their contractor license. In order to get this special endorsement, a general contractor must, 1) pass an exam; 2) complete the Alaska craftsman home program sponsored by the Department of Community and Regional Affairs (or its equivalent) or take an arctic engineering course; and 3) not be under indictment -- or in the preceding seven years not have been sentenced -- for an offense related to forgery, theft, extortion, conspiracy to defraud, or moral turpitude.

The department supports SB 72, as amended, because the licensing requirements established in the bill will work to better ensure the competency of contractors involved in residential construction. The industry and the public will benefit through increased quality of workmanship by demonstratively competent residential contractors.


Larry Mercurieff, Commissioner
Department of Commerce and
Economic Development

Date: 24/1/90

LM/wfd9889W
12390b

g. Haroff
2/2/90

PROPOSED SENATE FINANCE COMMITTEE LETTER OF INTENT FOR CSSP
72(Fin)

It is the intent of the Senate Finance Committee that the Department of Community and Regional Affairs conduct regional Alaska craftsman home program outreach workshops with a frequency adequate to meet the requests of general contractor's in the more remote areas of the state. Furthermore, that the department shall encourage licensed general contractor's from communities exempted by this legislation to pursue continuing education in arctic engineering and energy efficient thermal construction techniques.

Additionally, it is the intent of the Senate Finance Committee that the Department of Commerce and Economic Development consider the varied educational and cultural diversity of applicants when preparing the Alaska craftsman home program residential contractor's endorsement examination.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to registration and licensing of contractors;...
Sponsor: Senator Szymanski
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: Admin. & Investigations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		21.0	21.0	21.0	21.0	21.0
TRAVEL		1.1	1.1	1.1	1.1	1.1
CONTRACTUAL		15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	37.1	37.1	37.1	37.1	37.1

CAPITAL						
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REVENUE	0	37.5	75.0	0	75.0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
FEDERAL FUNDS						
OTHER GF/PR	0	37.1	37.1	37.1	37.1	37.1
TOTAL	0	37.1	37.1	37.1	37.1	37.1

POSITIONS:

POSITION TYPE	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill establishes an endorsement to the registration of a general contractor who oversees the construction of or who performs alterations to residential structures. This fiscal note represents the anticipated costs associated with the establishment of the registration endorsement for residential contractors. (Continued)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: April 3, 1989

Approved by Commissioner: Larry Mercurieff Date: 4/3/89
Agency: Commerce and Economic Development

- Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

This fiscal note applies also to the CS adopted by the State Affairs Committee.

J. Schubert page 1 of 2
4-26-89

CONTINUATION OF FISCAL NOTE
For CSSSSB 72 (L&C)

The division is not certain of the absolute number of residential contractors who will be affected by the bill; therefore, calculations in this fiscal note are based on at least 500 of the approximately 1500 licensed general contractors seeking registration endorsement as a residential contractor. Based on 500, the new category can be expected to cover 1.86% of the administrative costs (500 divided by 26,945 total licensees).

Personal Services: \$21.0

Consists of:

- *13.00% of a licensing examiner
- * 2.00% of an investigator
- * 1.86% of administrative overhead

Travel: \$ 1.1

This will provide for travel funds for the Licensing Examiner to administer the examinations twice a year at a location other than Juneau.

Contractual Services: \$15.0

This will provide funding for examination development; communication expenses; printing of applications, examinations, etc.; public notices; exam facility rentals; seminars; and other informational publications necessary.

TOTAL: \$37.1

REVENUES: The revenues identified are based on an endorsement fee for residential contractors, assuming that residential contractors will pay a biennial fee of \$150 (\$75 per year) in addition to their general contractor registration.

FY 90: The effective date of the bill is July 1, 1989 and therefore, revenues are based on an initial 500 contractors seeking a residential endorsement. The initial endorsement would be valid for one year, with an expiration date of December 31, 1990, the same date in which a general contractor's certificate of registration expires. $500 \times \$75$ license fee = \$37.5.

FY 91: Assuming all residential contractors will renew, revenues will total \$75.0 ($500 \times \150).

FY 92: This will be a non renewal year and no revenues other than fees from new registrants (not estimated) will be generated. Although no revenues will be received in this year, like all other licensing programs, the program will be covered by program receipts of other occupations renewing during that year. In addition, fees collected during a renewal year are sufficient to cover the annual costs of the program.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to registration and licensing of contractors;...
Sponsor: Senator Szymanski
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
BRU: Occupational Licensing
Components: Admin. & Investigations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		21.0	21.0	21.0	21.0	21.0
TRAVEL		1.1	1.1	1.1	1.1	1.1
CONTRACTUAL		15.0	15.0	15.0	15.0	15.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	37.1	37.1	37.1	37.1	37.1

CAPITAL						
---------	--	--	--	--	--	--

REVENUE	0	37.5	75.0	0	75.0	0
---------	---	------	------	---	------	---

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF/PR	0	37.1	37.1	37.1	37.1	37.1
TOTAL	0	37.1	37.1	37.1	37.1	37.1

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill establishes an endorsement to the registration of a general contractor who oversees the construction of or who performs alterations to residential structures. This fiscal note represents the anticipated costs associated with the establishment of the registration endorsement for residential contractors. (Continued)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: April 3, 1989

Approved by Commissioner: Larry Mercurieff Date: 4/5/89
Agency: Commerce and Economic Development

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

This fiscal note applies also to the CS adopted by the Labor + Commerce Committee.

page 1 of 2

Anula Peterson
Sen L+C Committee

CONTINUATION OF FISCAL NOTE
For CSSSB 72 (L&C)

The division is not certain of the absolute number of residential contractors who will be affected by the bill; therefore, calculations in this fiscal note are based on at least 500 of the approximately 1500 licensed general contractors seeking registration endorsement as a residential contractor. Based on 500, the new category can be expected to cover 1.86% of the administrative costs (500 divided by 26,945 total licensees).

Personal Services: \$21.0

Consists of:

- *13.00% of a licensing examiner
- * 2.00% of an investigator
- * 1.86% of administrative overhead

Travel: \$ 1.1

This will provide for travel funds for the Licensing Examiner to administer the examinations twice a year at a location other than Juneau.

Contractual Services: \$15.0

This will provide funding for examination development; communication expenses; printing of applications, examinations, etc.; public notices; exam facility rentals; seminars; and other informational publications necessary.

TOTAL: \$37.1

REVENUES: The revenues identified are based on an endorsement fee for residential contractors, assuming that residential contractors will pay a biennial fee of \$150 (\$75 per year) in addition to their general contractor registration.

FY 90: The effective date of the bill is July 1, 1989 and therefore, revenues are based on an initial 500 contractors seeking a residential endorsement. The initial endorsement would be valid for one year, with an expiration date of December 31, 1990, the same date in which a general contractor's certificate of registration expires. $500 \times \$75$ license fee = \$37.5.

FY 91: Assuming all residential contractors will renew, revenues will total \$75.0 ($500 \times \150).

FY 92: This will be a non renewal year and no revenues other than fees from new registrants (not estimated) will be generated. Although no revenues will be received in this year, like all other licensing programs, the program will be covered by program receipts of other occupations renewing during that year. In addition, fees collected during a renewal year are sufficient to cover the annual costs of the program.

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: An Act relating to registration and licensing of contractors;...
Sponsor: Senator Szymanski
Requestor: Senate Labor & Commerce

Agency Affected: Commerce & Economic Dev.
BRJ: Occupational Licensing
Components: Admin. & Investigations

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		21.0	21.0	21.0	21.0	21.0
TRAVEL		1.1	1.1	1.1	1.1	1.1
CONTRACTUAL SUPPLIES		15.0	15.0	15.0	15.0	15.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	37.1	37.1	37.1	37.1	37.1

CAPITAL						
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REVENUE	0	37.5	75.0	0	75.0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF/PR	0	37.1	37.1	37.1	37.1	37.1
TOTAL	0	37.1	37.1	37.1	37.1	37.1

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

The bill establishes licensure for general contractors who oversee the construction of or who perform alteration to residential structures. This fiscal note represents the anticipated costs associated with the establishment of the new licensing category for residential contractors. (Continued)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: March 28, 1989

Approved by Commissioner: Larry Mercurieff Date: 3/31/89
Agency: Commerce and Economic Development

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE
For SSSB 72

The division is not certain of the absolute number of residential contractors who will be affected by the bill; therefore, calculations in this fiscal note are based on at least 500 of the approximately 1500 licensed general contractors. Based on 500 licensees, the new licensing category can be expected to cover 1.86% of the administrative costs (500 divided by 26,945 total licensees).

Personal Services: \$21.0

Consists of:

- *13.00% of a licensing examiner
- * 2.00% of an investigator
- * 1.86% of administrative overhead

Travel: \$ 1.1

This will provide for travel funds for the Licenisng Examiner to administer the examinations twice a year at a location other than Juneau.

Contractual Services: \$15.0

This will provide funding for examination development; communication expenses; printing of applications, examinations, etc.; public notices; exam facility rentals; seminars; and other informational publications necessary.

TOTAL: \$37.1

REVENUES: The revenues identified are based on the new licensing fee for residential contractors, assuming that licensees will pay a biennial fee of \$150 (\$75 per year).

FY 90: The effective date of the bill is July 1, 1989 and therefore, revenues are based on the initial 500 residential contractors seeking licensure. The initial license would be valid for one year with the expiration date of December 31, 1990, the same date in which a general contractor's certificate of registration expires. 500 x \$75 license fee = \$37.5.

FY 91: Assuming all residential contractors will renew, revenues will total \$75.0 (500 x \$150).

FY 92: This will be a non-renewal year and no revenues other than fees from new licensees (not estimated), will be generated. Although no revenues will be received in this year, like all other licensing programs, the program will be covered by program receipts of other occupations renewing during that year. In addition, fees collected during a renewal year are sufficient to cover the annual costs of the program.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSSSB 72 (L&C) ^{St Aff} _b
PUBLISH DATE: 4/27/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
Title: " An Act relating to
registration....of contractors;" BRU: Labor Standards & Safety
Sponsor: Szymanski Components: Wage & Hour
Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 264-2452
Division: Labor Standards & Safety Date: 4/3/89

Approved by Commissioner: Jim Sampson  Date: 4/3/89
Agency: Department of Labor

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

*This fiscal note applies also to
the CS adopted by the State
Affairs Committee.*

*S Schubert
4-26-89*

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSSSB 72 (L&C)

(b) AD

PUBLISH DATE: 4/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: " An Act relating to
registration....of contractors;" BRU: Labor Standards & Safety
 Sponsor: Szymanski Components: Wage & Hour
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This fiscal note applies also to the CS adopted by the Labor + Commerce Committee

Sheila Peterson
Sen L+C Committee

Prepared by: Tom Stuart, Director Phone: 264-2452
 Division: Labor Standards & Safety Date: 4/3/89

Approved by Commissioner: Jim Sampson Date: 4/3/89
 Agency: Department of Labor

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION : SSSB 72 (b)
 PUBLISH DATE : 4/11/89

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: " An Act relating to
registration....of contractors;" BRU: Labor Standards & Safety
 Sponsor: Szymanski Components: Wage & Hour
 Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
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REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Tom Stuart, Director Phone: 465-2712
 Division: Labor Standards & Safety Date: 3/31/89
 Approved by Commissioner: Jim Sampson Date: 3/31/89
 Agency: Department of Labor

Distribution (by preparer) :
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

3/22/90 (LRC)

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: "An Act..registration and
endorsements for contractors...."
Sponsor: Senator Szymanski
Requestor: _____

Agency Affected: Community & Regional Affairs
BRU: _____
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

There is no fiscal effect for FY 90.

Prepared by: Carol Carroll, Deputy Director Phone: 465-4750
Division: Municipal & Regional Assistance Date: _____
Approved by Commissioner: *David G. Bell* Date: 3-16-91
Agency: Community & Regional Affairs

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SB 72
PUBLISH DATE: 1/9/89

3/14/89
5(LUC)
JA

REQUEST: FISCAL NOTE

Revision Date: 1/10/89
Title: An Act increasing the amount of the bond required for a construction contractor's certificate of registration.
Sponsor: Labor and Commerce Committee

Agency Affected: DOT&PF
BRU: Design & Construction
Maintenance & Operations
& Administration

Requestor:

Components:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTURAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (THOUSANDS OF DOLLARS)

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

It would be very difficult to determine with any reliability the impact of this bill on the Department's construction program but it could reduce the number of bidders or the number of minority or women-owned construction firms. This in turn may increase the cost of construction.

Prepared by: Loren Rasmussen
Division: Engineering & Operations Standards

Phone: 465-2960
Date: 03/02/89

Approved by Commissioner: Mark S. Hickey
Agency: Department of Transportation and Public Facilities

Date: 03/02/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

RECEIVED
MAR 13 1989

LEGISLATIVE FINANCE

DOTPF for original bill

5872

Department of Transportation & Public Facilities



POSITION PAPER

BILL NO: SB 72

An Act increasing the amount of the bond

TITLE: required for a construction contractor's
certificate of registration.

APPROVED:

A handwritten signature in black ink, appearing to read "Mark A. Hughes".

DATE: March 2, 1989

The Department does not support nor oppose this bill.

As the bill's title states "An Act increasing the amount of the bond required for a construction contract's certificate of registration" by raising it to \$50,000 for any contractor.

Although the requirements applies to contractors of any size, the bond amount of \$50,000 does seem to be higher than necessary to protect the public for contractors specializing in small construction projects. In the current very tight bond market it may be very difficult for some small contractors to obtain the required bonding thus reducing the number of bidders on our small construction projects which may increase the cost of the construction. It may also limit the entry of women or minority businesses into the contracting arena, which runs counter to existing federal and state programs.