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72

SENATE STATE AFFAIRS COMMITTEE

BILL NUMBER SSSB 72

SPONSOR ~~SSSB~~ Szymanski

BILL TITLE Registration & licensing of contractors

DATE REFERRED 4-11-89

HEARING SCHEDULED

FISCAL NOTE PREPARED ✓

SPONSOR CONTACTED Carolyn 4978

INTERESTED PARTIES CONTACTED

- ✓ Resa King, AGC 586-1740
- ✓ Jim Plasman, CRA
- will send someone Randall Burns, OCE Licensing
- ✓ Gregg Jones, Homebuilders Assoc 243-5400

OTHER

SB72, TXT - summary

STATE OF ALASKA
THE LEGISLATURE

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

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

SB 72

Senate Hala & Commerce

3/31/91

Original sponsor: Szymanski

*Sandra -
bill versions*

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

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

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST 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 ^{for} relation to certain residential work unless the work

9 is performed by a general contractor who has a ^(licensed) 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

Handwritten signature

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 ^(registration) 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) A general con-
2 tractor or builder may not undertake the construction or alteration,
3 or submit a bid to undertake the construction or alteration of a
4 privately-owned residential structure of one to four units or adver-
5 tise or publicly represent that the general contractor or builder may
6 undertake work of this type in the state without a residential con-
7 tractor endorsement issued under this section.

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

10 (1) has a certificate of registration as a general contrac-
11 tor;

12 (2) passes a residential contractor examination, which
13 shall be offered by the department at least twice a year; the examina-
14 tion, which may be written or practical, may test competence in rela-
15 tion to arctic structural and thermal construction techniques and
16 other matters as determined by the department in consultation with
17 representatives of the construction industry;

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

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

25 (5) is not under indictment for, or in the preceding seven
26 years has not been under a sentence for, an offense related to forg-
27 ery, theft, extortion, or conspiracy to defraud creditors or for a
28 felony involving moral turpitude; and

29 (6) pays the appropriate fees.

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

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

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

14 (1) registration and renewal of registration for all cat-
15 egories of contractors;

16 (2) examination, issuance of initial endorsement, and
17 renewal of active or inactive endorsements for residential contrac-
18 tors; and

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

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

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

25 Sec. 08.18.116. INVESTIGATIONS. Either the Department of Com-
26 merce and Economic Development or the Department of Labor may investi-
27 gate alleged or apparent violations of this chapter. These depart-
28 ments, upon showing proper credentials, may enter, during regular
29 hours of work, a construction site where it appears that contracting

1 work is being done. The departments may make inquiries about the
2 identity of the contractor or the person acting in the capacity of a
3 contractor. Upon demand, a contractor or person acting in the capac-
4 ity of a contractor, or that person's representative, shall produce
5 evidence of current ^{clearance} endorsement, if applicable, and registration.

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

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

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

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

14 (1) the application is fraudulent or misleading;

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

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

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

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

23 (a) A contractor or a person acting in the capacity of a con-
24 tractor who knowingly violates [IN VIOLATION OF] AS 08.18.011 or
25 08.18.024 is guilty of a class B misdemeanor. A person who violates
26 another provision of this chapter is guilty of a violation punishable
27 under AS 12.

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

29 (10) "residential contractor" means a general contractor

*oops -
was in original*

1 whose business and operation involve undertaking the construction or
2 alteration of a privately-owned residential structure of one to four
3 units that is used or intended to be used as a human dwelling.

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

5 ARTICLE 6A. MISCELLANEOUS PROVISIONS.

6 Sec. 37.05.800. RESTRICTION ON USE OF STATE MONEY FOR RESI-
7 DENTIAL CONTRACTING. (a) The state may not grant or loan money or
8 purchase a loan for the construction or alteration of a privately-
9 owned residential structure of one to four units unless the grant or
10 loan requires the construction or alteration to be undertaken by a
residential contractor with an endorsement issued under AS 08.18.

*original
said not
exempt*

(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
14 AS 08.18.161 that is exempt from the requirements of AS 08.18. *under \$10,000
own home*

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

19 (1) applies for an endorsement under this section by July 1,
20 1990;

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

23 (3) has been an active general contractor in the state for three
24 *least 3 yrs* of the five years immediately preceding application for an endorsement
25 under this section.

[for at

26 * Sec. 12. This Act takes effect July 1, 1989.

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						
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)

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.

Alaska State Legislature

Al Adams
District L

WHILE IN SESSION
P.O. Box V
State Capitol
Juneau, Alaska 99811
(907) 465-3707

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3245

3111 C Street
Anchorage, Alaska 99503
(907) 561-7622



Official Business

TO: SENATE STATE AFFAIRS COMMITTEE MEMBERS

FROM: SENATOR AL ADAMS ^{APA}

RE: L&C CS FOR SENATE BILL 72

DATE: APRIL 25, 1989

I HAVE SEVERAL CONCERNS ABOUT THE AFOREMENTIONED LEGISLATION AND HOW IT WOULD AFFECT MY DISTRICT. OFFERED FOR CONSIDERATION ARE SEVERAL AMENDMENTS TO MAKE THIS BILL MORE ADAPTABLE TO RURAL ALASKA.

AMENDMENT 1:

PAGE 3, LINE 2, DELETE THE WORDS "OR BUILDER"
THIS WOULD MAKE THE PROVISIONS OF THE BILL APPLICABLE SOLELY TO GENERAL CONTRACTORS, AND NOT "BUILDERS".
THERE ARE MANY PEOPLE IN SMALL VILLAGES IN MY DISTRICT WHO PERFORM BUILDING TASKS THAT DO NOT REQUIRE THE WORK OF A GENERAL CONTRACTOR. I UNDERSTAND IT WAS NOT THE INTENT TO INCLUDE THESE "BUILDERS" UNDER THE PROVISIONS OF THIS BILL.

AMENDMENT #2:

PAGE 3, LINE 2, DELETE THE WORD "ALTERATION," INSERT "ALTERATIONS EXCEEDING 25 PERCENT OF THE STRUCTURE'S VALUE,"
PAGE 6, LINE 11, AFTER AS 08.18. INSERT, "ALTERATIONS OF A PRIVATELY OWNED STRUCTURE IN THIS SECTION MEAN THOSE ALTERATIONS HAVING A VALUE GREATER THAN 25 PERCENT OF THE STRUCTURE'S VALUE."

STRICT INTERPRETATION OF "ALTERATION" COULD MEAN THE ADDITION OF SOMETHING AS SIMPLE AS A CAT DOOR. I BELIEVE IT WAS NOT THE INTENT OF THE BILL TO HAVE MINOR REPAIRS OR WORK ON A RESIDENCE DONE BY A REGISTERED CONTRACTOR AND THUS THIS AMENDMENT WHICH CORRESPONDS TO THE TRADE INDUSTRY'S INTERPRETATION OF "MAJOR" WORK ON A RESIDENCE.

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.

Applied in *Abdulbaqui v. State, Ct. App. Op. No. 659* (File Nos. A-1297, A-1379), 728 P.2d 1211 (1986).

Quoted in *Minano v. State, Ct. App. Op. No. 420* (File Nos. 7812, 7868), 690 P.2d 28 (1984).

Cited in *Nighswonger v. State, Ct. App. Op. No. 362* (File No. A-369), 680 P.2d 105 (1984).

Cross penalty ing gear Effect amendr

Chapter 46. Offenses Against Property.

Article

1. Theft and Related Offenses (§§ 11.46.120 — 11.46.140, 11.46.200, 11.46.220, 11.46.295)
2. Burglary and Criminal Trespass (§ 11.46.350)
3. Arson, Criminal Mischief, and Related Offenses (§§ 11.46.460 — 11.46.480, 11.46.484, 11.46.487, 11.46.490)
5. Business and Commercial Offenses (§§ 11.46.630, 11.46.740)
6. General Provisions (§§ 11.46.985, 11.46.990)

Article 1. Theft and Related Offenses.

Section

- 120. Theft in the first degree
- 130. Theft in the second degree
- 140. Theft in the third degree

Section

- 200. Theft of services
- 220. Concealment of merchandise
- 295. Prior convictions

Sec. 11.46.100. Theft defined.

NOTES TO DECISIONS

I. General Consideration.

I. GENERAL CONSIDERATION.

Applied in *Corbin v. State, Ct. App. Op. No. 310* (File No. 7010), 672 P.2d 156 (1983).

Cited in *Harris v. State, Ct. App. Op. No. 346* (File No. 6580), 678 P.2d 397 (1984); *Garroutte v. State, Ct. App. Op.*

No. 372 (File No. 7457), 683 P.2d 262 (1984); *Ridgely v. State, Ct. App. Op. No. 503* (File No. A-30, A-43, A-56), 705 P.2d 924 (1985); *Jones v. State, Ct. App. Op. No. 622* (File No. A-965), 719 P.2d 265 (1986); *Hads v. State, Ct. App. Op. No. 650* (File No. A-1613), 727 P.2d 11 (1986).

Sec. 11.46.120. Theft in the first degree. (a) A person commits the crime of theft in the first degree if the person commits theft as defined in AS 11.46.100 and

- (1) the value of the property or services is \$25,000 or more; or
- (2) the value of the property or services is \$500 or more but less than \$25,000 and within the preceding five years the person has been convicted and sentenced on two or more separate occasions in this or another jurisdiction of a crime set out in (1) of this subsection or AS 11.46.130(a)(1) — (3) or an offense under another law or ordinance with similar elements.

(b) Theft in the first degree is a class B felony. (§ 4 ch 166 SLA 1978; am § 1 ch 133 SLA 1988)

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§ 11.46.120

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166 SLA

§ 11.46.130

CRIMINAL LAW

§ 11.46.130

Cross references. — For additional penalty when theft is of commercial fishing gear, see AS 16.05.710(b).

Effect of amendments. — The 1988 amendment, in subsection (a), divided the

formerly undivided language into an introductory paragraph and paragraph (1), added "or" at the end of paragraph (1), and added paragraph (2).

NOTES TO DECISIONS

Sentence upheld.

The evidence was sufficient to uphold the sentence. *Short v. State*, Ct. App. Op. No. 342 (File No. A-14), 676 P.2d 612 (1984).

Sentence of 10 years' imprisonment with five years suspended imposed upon a defendant employee convicted of embezzlement for money taken before and after January 1, 1980, the effective date for the revised criminal code, was upheld because of the exceptional magnitude and manner of the theft where a trusted employee embezzled over \$356,000 in more than 50 thefts over a two-year period; the sentence facilitated reaffirmation of societal norms and deterrence. *Karr v. State*, Sup. Ct. Op. No. 2848 (File No. 7011), 686 P.2d 1192 (1984).

Sentence held too lenient. — Where an office manager stole approximately

\$115,000 between January, 1979 and April, 1982, a sentence of five years, all suspended, for a period of ten years was held too lenient despite the fact that the defendant had no prior criminal record, was apparently very repentant, had made substantial efforts toward restitution, had lost his insurance licenses and was faced with a substantial fine. *State v. Karnos*, Ct. App. Op. No. 449 (File No. A-364), 696 P.2d 685 (1985).

Cited in *Lindsay v. State*, Ct. App. Op. No. 458 (File No. A-212), 698 P.2d 659 (1985); *Christianson v. State*, Ct. App. Op. No. 696 (File No. A-1570), P.2d (1987); *Kramer v. State*, Ct. App. Op. No. 698 (File No. A-1788), 735 P.2d 754 (1987); *Moore v. State*, Ct. App. Op. No. 724 (File No. A-1343), 740 P.2d 472 (1987).

Sec. 11.46.130. Theft in the second degree. (a) A person commits the crime of theft in the second degree if the person commits theft as defined in AS 11.46.100 and

(1) the value of the property or services is \$500 or more but less than \$25,000;

(2) the property is a firearm or explosive;

(3) the property is taken from the person of another; or

(4) the value of the property is \$50 or more but less than \$500 and within the preceding five years the person has been convicted and sentenced on two or more separate occasions in this or another jurisdiction of a crime set out in (1) — (3) of this subsection or AS 11.46.140(a)(1) or (2) or an offense under another law or ordinance with similar elements.

(b) Theft in the second degree is a class C felony. (§ 4 ch 166 SLA 1978; am § 2 ch 133 SLA 1988)

Cross references. — For additional penalty when theft is of commercial fishing gear, see AS 16.05.710(b).

Effect of amendments. — The 1988

amendment, in subsection (a), deleted "or" at the end of paragraph (2), added "or" at the end of paragraph (3), and added paragraph (4).

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



ASSOCIATED GENERAL CONTRACTORS of ALASKA

1941 B STREET • ANCHORAGE, ALASKA 99501
PO BOX 24449 • ANCHORAGE, ALASKA 99524-0449
TELEPHONE (907) 561-8334 • 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

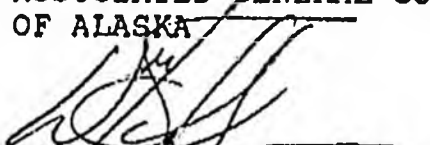
Dear Senator Szymanski,

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\szymsb72.

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."

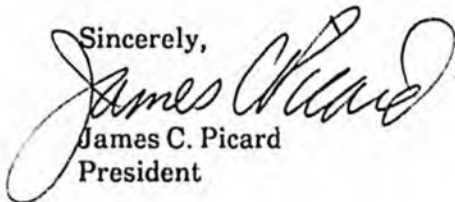
As time was of the essence, the AMBA Board of Directors and general membership did not have time to review this proposed legislation as they are not scheduled to meet until next week. The AMBA State Legislative Affairs Committee did review the proposed legislation on March 9, 1988, and voted unanimously 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



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
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



**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



Collateral references. — Recovery of money paid to unlicensed person required by law to have occupation or business license or permit to make contract. 74 ALR3d 637.

Sec. 08.18.160. [Repealed, § 1 ch 100 SLA 1968.]

Article 4. General Provisions.

Section
161. Exemptions
171. Definitions

Sec. 08.18.161. Exemptions. This chapter does not apply to:

- (1) an authorized representative of the United States government, the State of Alaska, or a political subdivision or agency of the state;
- (2) an officer of a court when acting within the scope of office;
- (3) a public utility operating under the regulations of the public service commission in construction, maintenance or development work incidental to its own business;
- (4) a construction, repair or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning or other operation of a petroleum or gas well or a surface or underground mine or mineral deposit when performed by an owner or lessee;
- (5) the sale or installation of finished products, materials or articles of merchandise which are not actually fabricated into and do not become a permanent, fixed part of a structure;
- (6) construction, alteration, or repair of personal property;
- (7) construction, alteration, or repair carried on within the boundaries of a site under legal jurisdiction of the federal government;
- (8) a person who only furnished materials, supplies or equipment without fabricating them into, or consuming them in the performance of, the work of the contractor;
- (9) work on one project under one or more contracts, the aggregate contract price of which for labor and materials and all other items is less than \$10,000, this work being considered as of a casual, minor, or inconsequential nature; this exemption does not apply when the work is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or when the work is divided into contracts of amounts less than \$10,000 for the purpose of evasion of this chapter or otherwise; this exemption does not apply to a person who advertises or puts out a sign or card or other device which might indicate to the public that the person is a contractor, or that the person is qualified to engage in the contracting business; a contractor who performs work priced at \$2,500 or more, under this exemption, shall nevertheless keep in force public liability and property damage

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v. Senco
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F.2d 590

insurance with coverage in at least the amounts set out in AS 08.18.101;

(10) an owner who contracts for a project with a registered contractor;

(11) a person working on that person's own property, whether occupied by the person or not, and a person working on that person's own residence, whether owned by the person or not;

(12) an owner or tenant of commercial property who uses the owner's or tenant's own employees to do maintenance, repair and alteration work upon that property;

(13) an owner who acts as the owner's own contractor and in doing so hires workers on an hourly basis, hires subcontractors, purchases materials and as such, sees to the paying for all labor, subcontractors and materials; in this case, the owner shall be limited to construction of one home, duplex, triplex, four-plex, or one commercial building per year;

(14) a person performing construction work incidental to farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging, fishing, clearing or other work upon the land in rural districts for fire prevention purposes, or access road building, unless the person is a licensee. (§ 2 ch 100 SLA 1968; am § 1 ch 51 SLA 1976; am §§ 2, 3 ch 108 SLA 1982)

Opinions of attorney general. — Public utilities are clearly exempt both from construction contractor registration under AS 08.18 and from electrical administrator licensing under AS 08.40, regardless of

whether they are bidding against others who are not public utilities for work on projects which are not part of the utility distribution system. June 6, 1984 Op. Att'y Gen.

NOTES TO DECISIONS

Material and equipment excluded from operation of AS 08.18.071 and AS 08.18.081. — Paragraph (5) of this section, which makes the chapter inapplicable to materials and equipment not incorporated or consumed in the construction of a structure, operates to exclude such material and equipment from the operation of AS 08.18.071 and AS 08.18.081. Balboa Ins. Co. v. Senco Alaska, Inc., Sup. Ct. Op. No. 1468 (File No. 3076), 567 P.2d 295 (1977).

Paragraph (5) bars the claim of an equipment supplier against a construction contractor's registration bond when the equipment has not been fabricated into a structure, but rather has become part of the contractor's capital equipment. Balboa Ins. Co. v. Senco Alaska, Inc., Sup. Ct. Op. No. 1468 (File No. 3076), 567 P.2d 295 (1977).

Subcontractor's work did not come within literal language of paragraph

(7) where its work was not carried on totally "within" federal boundaries. Lost Vaile, Timber, Inc. v. Power City Constr., Inc., 809 F.2d 590 (9th Cir. 1987).

Paragraph (8) interpreted. — Paragraph (8) of this section exists in substantially identical form in statutes in California and Washington, and has been interpreted there to exempt from registration one who prefabricates but does not install materials which become a part of real property. The supreme court of Alaska finds this interpretation persuasive. Industrial Power & Lighting Corp. v. Western Modular Corp., Sup. Ct. Op. No. 2259 (File Nos. 4163, 4176), 623 P.2d 291 (1981).

Contract to purchase prefabricated modular homes. — A contract to purchase prefabricated modular homes was, from the standpoint of the purchaser, a contract for which registration was re-

quired 08.18.101 exempt under Industr Western 2259 (F (1981).

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Alaska State Legislature

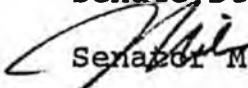
Senator Mike Szymanski

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

TO: Senator Pat Pourchot
Chair
Senate State Affairs Committee

FROM:  Senator Mike Szymanski

DATE: April 10, 1989

SUBJECT: Request for Hearing on CS SSSB72 (SL&C),
Registration/Endorsement of Contractors

I respectfully request a hearing be scheduled on CS SSSB72 (SL&C), 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.

In response to the numerous inquiries regarding Senate Bill 72, the construction contractor bond amount, a working group made up of representatives from the Alaska Homebuilders Association, Associated General Contractors, Division of Occupational Licensing, Department of Community and Regional Affairs, Alaska Craftsman Home Program, Alaska Housing Finance Corporation, and Alaska Mortgage Bankers Association worked diligently to create the Sponsor Substitute.

To address the concerns of the Senate Labor and Commerce Committee, the Department of Labor and the Department of Commerce and Economic Development, a Committee Substitute to the Sponsor Substitute passed the Senate Labor and Commerce Committee today.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

Senator Pat Pourchot
April 10, 1989
Page Two

CS SSSB72 (SL&C) concerns a new category of contractor - the residential contractor. The residential contractor is a person who has a certificate as a general contractor; receives an endorsement on that certificate after passing a written or practical exam which tests competence in arctic structural and thermal construction techniques ^{and} completes a ~~postsecondary~~ course in arctic engineering; and undertakes the construction of residential structures or alterations of privately-owned residential structures of one to four units. In addition, the state may not grant or loan money or purchase a loan unless under the oversight of a residential contractor with an endorsement. Certain exemptions do apply to the money, i.e., construction, alteration or repair of personal property.

Attached are the following documents:

CS SSSB72 (SL&C)
Fiscal Note, Dept. of Labor
Fiscal Note, Dept. of Commerce & Economic Development
Letter, Kenai Peninsula Builders Association, April 6, 1989
Letter, Associated General Contractors of Alaska, April 10, 1989
Letter, Alaska Homebuilders Association, April 3, 1989
Letter, Alaska Housing Finance Corporation, March 24, 1989
Letter, Alaska Craftsman Home Program, March 23, 1989
Letter, Alaska Mortgage Bankers Association, March 13, 1989

MS:cbr

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSSB 72 (L&C)

PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Labor
 Title: " An Act relating to BRU: Labor Standards & Safety
registration...of contractors;"
 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)

Alaska State Legislature

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

MEMORANDUM

TO: Senate State Affairs Committee Members
FROM: Senator Pat Pourchot, Chairman
RE: April 26 Ccmmitttee Memo
DATE: April 25, 1989

On Wednesday, April 26 at 1:30 p.m. in the Beltz Room the Senate State Affairs Committee will hear the following bills:

SJR 46, Supporting the establishment of a Joint Commission on the Status of Alaska Natives by Congress

SJR 46 would support the establishment of a Joint Commission on the Status of Alaska Natives and commit the state to actively participate on the commission. The commission would be charged with conducting a comprehensive review of federal and state policies affecting Alaska Natives and the current health, social, and economic status of Alaska Natives.

The resolution that would establish the Commission is pending introduction in the U.S. Senate. The effort stems from the recently published AFN Report on the Status of Alaska Natives.

SSSB 72, 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

SB 72 would require that contractors who construct or alter privately-owned residential structures of one to four units have a residential endorsement on their license. To receive the endorsement, the contractor would need to pass a written or practical exam which tests competence in arctic construction techniques, and complete the Alaska Craftsman Home program or a postsecondary course in arctic engineering or its equivalent.

The Labor and Commerce C.S. Clarified that the residential requirement would be an endorsement to the general contractor's license rather than a separate license, allowed participation in programs equivalent to the Alaska Craftsman Home program, and allowed the exemptions in current statute for small projects and owner-built projects.

Committee Memo
April 26, 1989
Page 2

SB 157. An Act relating to imposition of a civil fine for violation of a statute, regulation, or ordinance related to alcoholic beverages

SB 157 would authorize the Alcoholic Beverage Control Board to assess civil fines against liquor licensees who violate liquor laws. The fine would be in addition to license suspension or revocation, and would follow the suspension/revocation hearing required under current statute. The amount of the fine would be determined by the Board.

The bill would also provide the Board with program receipt authority. Fees and fines would be separately accounted for and could be appropriated by the legislature to fund the Board's operation.

SB 192. An Act relating to legislators' eligibility for long-term per diem

SB 192, which would limit eligibility for long term per diem during the interim to days spent attending meetings of a legislative committee or subcommittee, was heard by the State Affairs Committee on April 10. No action was taken pending action by the Legislative Council on a revised per diem policy.

The Council policy, adopted April 24, is attached. It provides that to qualify for interim per diem a legislator must attend a meeting for a legislative or public purpose, or spend at least four hours of that day on legislative and constituent business.

Also attached is a fiscal note for SB 192, indicating savings of \$161,700. Fiscal impact of the new Council policy has not yet been determined.

CSHB 93(Jud). An Act relating to a duty of the director of the division of elections and to voter registration by the Department of Public Safety

HB 93 would require that the Division of Elections provide voter registration forms to the Division of Motor Vehicles, and that DMV advise persons registering their vehicles or applying for drivers' licenses that they may also register to vote.

According to the Division of Elections, most motor vehicle registration outlets currently provide voter registration services. Elections provides training to DMV personnel; DMV forwards completed voter registration forms to Elections.

In addition, SJR 38. Proposing an amendment to the Constitution of the State of Alaska relating to terms of legislators, will be before the committee. Due to time constraints, the bill was not heard on April 24 as scheduled.

Alaska State Legislature



Sen. Pat Pourchot, Chairman

Sen. Jan Falks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling

P.O. Box V
State Capitol
Juneau, Alaska 99811

907-465-3712

Senate State Affairs Committee

April 14, 1989

SSSB 72 (L&C) RESIDENTIAL CONTRACTOR ENDORSEMENTS

INTENT

To improve the quality of homes built in Alaska.

IN BRIEF

Establishes a new category of contractor, the residential contractor. Only contractors with the residential endorsement would be allowed to construct or alter privately-owned residential structures of one to four units. (Construction or alteration of ~~personal property~~ would be exempt.)

Qualifications: *you own home*

Have a certificate as a general contractor.

Pass a written or practical exam which tests competence in arctic structural and thermal construction techniques.

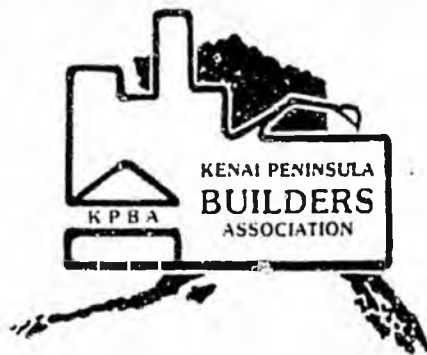
Complete the Alaska Craftsman Home program or a postsecondary course in arctic engineering *or its equivalent*

Pay fees (to be set by regulation -- DCED proposes \$75/yr).

Grandfather clause: No exam required if apply for endorsement by January 1, 1990 and have been an active general contractor in the state for 3 of the 5 years preceding application.

SUPPORTERS

Alaska State Homebuilders Association
Alaska Craftsman Home Program
Alaska Mortgage Bankers Association
Associated General Contractors
A.H.F.C.
Kenai Peninsula Builders Association
Kenai Peninsula Board of Realtors
Department of Community and Regional Affairs



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 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 Karttula
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

Box 1753 • Kenai, Alaska 99611 • (907) 776-5719

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ALASKA STATE LEGISLATURE

Sen. Pat Pourchot, Chairman

Sen. Jan Faiks, Vice Chairman
Sen. Al Adams
Sen. Tim Kelly
Sen. Rick Uehling



P.O. Box V
Juneau, AK 99811

907-465-3712

Senate State Affairs Committee

February 21, 1989

Shelby E. Johnson, President
Kenai Peninsula Builders Association
Box 1753
Kenai, Alaska 99611

Dear Shelby:

Thank you for contacting me in regard to SB 72, which would raise the bond for general, specialty, and mechanical contractors.

I spoke to Senator Szymanski, the bill sponsor, about your concerns. As I think you know, he will not be requesting a hearing on the bill. He has set up a working group to develop an alternative means of improving the quality of construction in the state. The group, which consists of construction contractors, builders, realtors, insurers, and the State Division of Licensing is considering a variety of proposals including your suggestions of state enforcement of building inspections and more stringent licensing requirements.

SB 72 is currently in the Senate Labor and Commerce Committee. It is my understanding that the bill will not be considered in its current form. The working group will likely develop a revised bill which, if approved by the Labor and Commerce Committee, would come to the State Affairs Committee for consideration. I assure you that I will keep your views in mind as work on this issue progresses, and will notify you of any hearings that might be scheduled in State Affairs.

Thanks again, Shelby, for sharing your views.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat", written over a large, faint circular stamp.

Senator Pat Pourchot
Chairman

PP/ss



February 10, 1989

Representative Pat Pouchot
P.O. Box V
Juneau, Alaska 99811

*In ^{Sen} DeC row
then st aff*

*Szyman 4978 (Carolyn)
Eliason 4916*

Dear Representative Pouchot:

The Kenai Peninsula Builders Association strongly opposes Senate Bill 72, which would raise the bond from \$10,000 to \$50,000 for General Contractors, and from \$5,000 to \$50,000 for Specialty and Mechanical Contractors. The passing of this legislation will not solve the problem of poor quality construction and it would most certainly force the majority of contractors out of business. We are asking for your help in our fight to stop this bill, and for your support of the implementation of State Mandated Building Inspections and the requirement of builder education as a prerequisite for contractor licensing, as outlined in the enclosed letter to Senator Mike Szymanski. Any increase of the bond requirement would have a devastating effect on the small construction contractors on the Kenai Peninsula who are struggling to survive in the present economic environment.

Sincerely,

THE KENAI PENINSULA BUILDERS ASSOCIATION

Shelby Johnson
Shelby E. Johnson, President

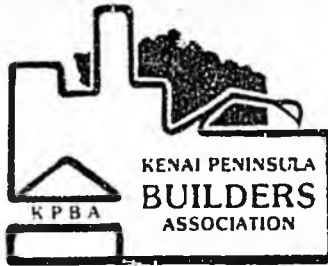
SEJ/pav

*Not requesting a hearing.
Instead - working group*

*construction contractors
homebuilders
realtors
Div License
insurers
Subcontractors*

*(looking at
alternatives,
- more enforcement
of bldg inspection
stiffer licensing
req.
- maybe small
increase in bond*

*Introduced to address ^{consumer} complaints.
Shoddy construction - Bond hasn't been enough to
satisfy ~~needed~~ repair.*



February 10, 1989

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

RE: SENATE BILL 72

Dear Senator Szymanski:

The Kenai Peninsula Builders Association strongly opposes Senate Bill 72, and will not support any attempt to increase Construction Contractor bonds.

We are encouraged that you have addressed the serious problem of poor quality construction, it is an area of great concern to the competent members of the building industry as well. However, increased bonding can not resolve this situation, and will undoubtedly force the majority of responsible contractors out of business.

The only way to guarantee quality construction and protect the consumer, as well as reputable Construction Contractors, is to implement a state-wide building inspection system and to require builder education as a prerequisite for contractor licensing.

The following measures have been outlined by the Kenai Peninsula Builders Association Board of Directors, and are respectfully submitted for your consideration.

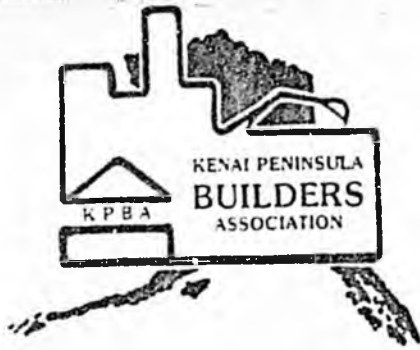
A. MANDATED BUILDING INSPECTIONS / ENFORCEMENT

1.) Implementation of state mandated building inspections for construction in populated areas. A five-step system would consist of:

1. Plans Approval
2. Footing, Foundation, and Framing Inspection
3. Insulation Inspection
4. Electrical and Plumbing Inspection
5. Final Inspection

The contractor would be charged a reasonable fee for each required inspection.

2.) Enforcement to be provided by lenders, namely Alaska Housing Finance Corporation, who would require inspection documentation as an Underwriting Guideline for all loans.



B. BUILDER EDUCATION / LICENSING REQUIREMENT

1.) Contractors would be required to show a Certificate of Completion, issued by the Alaska Craftsman Home Program, upon completion of an ACHP workshop to become licensed. The Alaska Craftsman Home Program provides an exceptional educational program to train builders in all phases of the construction of high quality, energy-efficient homes. This program is already in place across the state.

Professionals in the building trades and the Home Builders Associations throughout Alaska are willing and able to provide technical assistance to you and your staff, and want the opportunity to have an input on this important issue which effects the livelihood of so many reputable Construction Contractors. Quality construction of well built, energy-efficient homes is a priority of all who are legitimately involved in the building industry.

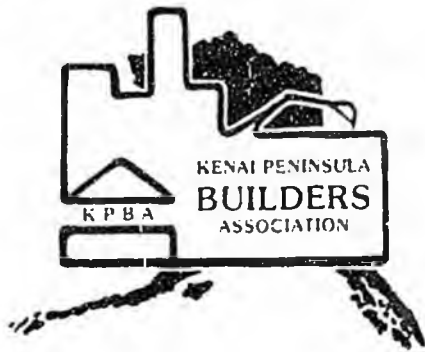
Sincerely,

KENAI PENINSULA BUILDERS ASSOCIATION

Shelby E. Johnson, President

SEJ/pav

cc: Governor Steve Cowper
Senator Paul Fischer
Senator Jay Kerttula
Senator Jan Faiks
Senator Dick Eliason
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



RECEIVED APR 11 1989

April 6, 1989

Representative Pat Pourchot
P.O. Box "V"
Juneau, Alaska 99811

RE: Sponsor Substitute SENATE BILL 72

Dear Representative Pourchot:

The Kenai Peninsula Builders Association would like to thank you for addressing our concerns regarding the the original Senate Bill 72. Our association will support the rewritten Sponsor Substitute for Senate Bill 72, and appreciate the legislative effort to create positive legislation regarding the serious problem of poor quality construction in the rewritten bill.

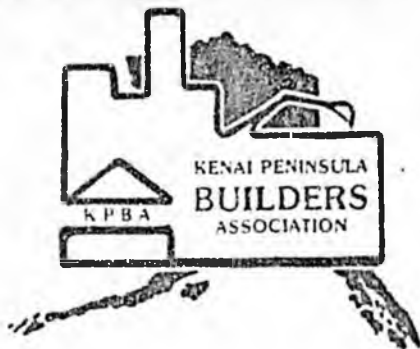
The Kenai Peninsula Builders Association will continue to ask for your support of state-wide mandastory building inspections as an Underwriting Guideline for any AHFC loan. A five step inspection system would include Plans Approval, Footing, Foundation and Framing Inspection; Insulation Inspection; Electrical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

Sincerely,

KENAI PENINSULA BUILDERS ASSOCIATION

Shelby E. Johnson, President

SEJ/pav



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 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 Naverre
Representative Jim Zawacki
Representative Pat Pouchot

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

Box 1753 • Kenai, Alaska 99611 • (907) 776-5719

SB72POOP.TXT
4/26/89

SB 72 REGISTRATION AND LICENSING OF CONTRACTORS

TO TESTIFY

SEN. SZYMANSKI, SPONSOR (CAROLYN) *Ratov*

✓ GREGG JONES, HOMEBUILDERS ASSOCIATION _____

JIM PLASMAN, COMMUNITY & REGIONAL AFFAIRS _____

SOMEBODY FROM OCCUPATIONAL LICENSING WILL BE PRESENT

OTHERS (SEE WITNESS LIST)

Jenny Strickler

F.Y.I.

AL MAY OFFER SOME AMENDMENTS. CONCERNS:

1. THE BILL REFERENCES THE ALASKA CRAFTSMAN HOME PROGRAM -- NOT EVERYONE THINKS THE PROGRAM IS RESPECTABLE
2. THIS TYPE OF CONSTRUCTION WILL INCREASE HOME PRICES, PLACING THEM EVEN MORE OUT OF REACH FOR THE AVERAGE BUSH DWELLER
3. THE REQUIRED EDUCATIONAL PROGRAM MAY NOT BE EASILY ACCESSIBLE TO PERSONS IN THE BUSH
4. HOW THE BILL WILL IMPACT THE NATIVE HOUSING ASSOCIATIONS AND FORCE ACCOUNTING

FEEES WILL BE SET BY REGULATION. OCCUPATIONAL LICENSING'S FISCAL NOTE IS BASED ON \$75/YEAR.

BILL CONTAINS GRANDFATHER CLAUSE: NO EXAM REQUIRED IF APPLY FOR ENDORSEMENT BY JANUARY 1, 1990 AND HAVE BEEN AN ACTIVE CONTRACTOR IN ALASKA FOR 3 OF THE 5 YEARS PRECEDING APPLICATION.

GROUP THAT WORKED ON BJLL:

ALASKA STATE HOMEBUILDERS ASSOCIATION
ALASKA CRAFTSMAN HOME PROGRAM
ALASKA MORTGAGE BANKERS ASSOCIATION
A.G.C.
A.H.F.C.
KENAI PENINSULA BUILDERS ASSOCIATION
KENAI PENINSULA BOARD OF REALTORS
DEPT. C&RA