

**HB**

**81**

<TARGET><BILL>HB 81</BILL><SUBJECT>HB  
81</SUBJECT><COMM>HFIN29</COMM></TARGET>

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 23, 2015

FURTHER REFERRALS:

Date of Committee Action: 4/14/16

The FINANCE Committee considered:

HB 81

**HOUSE BILL NO. 81**

"An Act relating to an exemption from the regulation of construction contractors."

**HB 81 EXEMPTION: LICENSING OF CONTRACTORS**

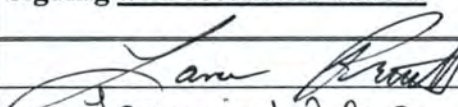
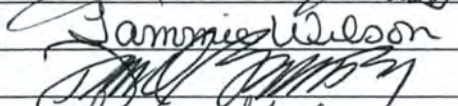
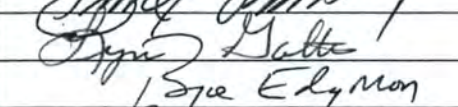
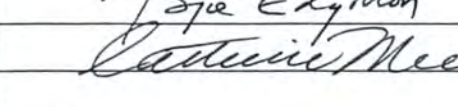
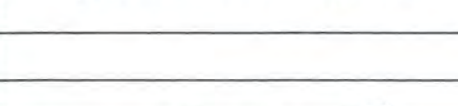
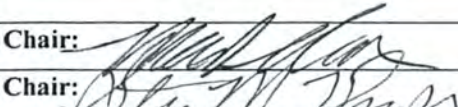
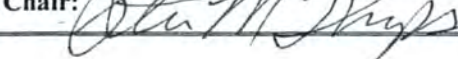
Recommends it be replaced with  HCS or  CS for HB 81 (FIN)  
 For Senate Bills with new title:  Technical Title  New Title: HCR \_\_\_\_\_  Same Title  New Title

- attach amendments
- add new referral to \_\_\_\_\_ Committee
- Letter of Intent \_\_\_\_\_ Committee

List of Abbrev for Depts.:  
 ADM  
 CED  
 COR  
 CRT  
 EED  
 DEC  
 DFG  
 GOV  
 DHS  
 LWF  
 LAW  
 LEG  
 MVA  
 DNR  
 DPS  
 REV  
 DOT  
 UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	HFIN for CED			✓
	LWF			✓

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Prout			X	
	Wilson			X	
	Gattis	X			
	Edgmon			X	
	Munoz				✓
Chair: 	NEUMAN	X			
Chair: 	THOMPSON	X			

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: HB 81  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB081-HFIN-DCCED-CBPL-4-11-16  
Title: EXEMPTION: LICENSING OF CONTRACTORS  
Sponsor: TILTON  
Requester: House Finance

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/16**

**Why this fiscal note differs from previous version:**

This fiscal note was zeroed out in House Finance with the intention that the Department absorb the anticipated \$2.5 in additional legal costs.

Prepared By: Representative Neuman Phone: (907)465-2679  
House Finance Committee Date: 04/11/2016  
Representative Thompson  
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. HB 81

**Analysis**

HB 81 proposes to close a loophole in construction contractor licensing exemptions that allows those owning property, residences, or commercial buildings to act as their own contractor without meeting licensure standards. A property owner who acts as their own contractor may build or remodel without obtaining a contractor license if the structure is not advertised for sale or sold within two years after the construction period had ended.

The bill places the burden on the owner-contractor to prove to the Department of Commerce, Community and Economic Development that their work under this exemption was not an attempt to circumvent the requirements of AS 08.18.

If the bill passes the following expenses will be incurred:

Services: \$2.5 (legal services and postage to amend regulations)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DFG). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs

# Fiscal Note

State of Alaska  
2016 Legislative Session

Bill Version: HB 81  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB081CS(L&C)-DOLWD-MI-04-11-16  
Title: EXEMPTION: LICENSING OF CONTRACTORS  
Sponsor: TILTON  
Requester: House Finance

Department: Department of Labor and Workforce Development  
Appropriation: Labor Standards and Safety  
Allocation: Mechanical Inspection  
OMB Component Number: 346

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2017 Appropriation Requested	Included in Governor's FY2017 Request	Out-Year Cost Estimates					
			FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2016) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2017) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

This fiscal note has been updated for Second Session. The bill has been changed since the initial fiscal note was submitted but the fiscal impact to the department remains the same.

Prepared By: Grey Mitchell, Director  
Division: Labor Standards and Safety  
Approved By: Heidi Drygas, Commissioner  
Agency: Department of Labor and Workforce Development

Phone: (907)465-4842  
Date: 04/11/2016 10:15 AM  
Date: 04/11/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2016 LEGISLATIVE SESSION

BILL NO. CSHB 81

**Analysis**

The bill amends AS 08.18.161 by clarifying that the terms and restrictions of the owner builder exemption from contractor licensing also apply to an individual who performs all of the work independently. The bill adds a condition that restricts an owner builder from advertising for sale or selling a building within two years that was constructed under the exemption from contractor licensing requirements in this statute.

There is no fiscal impact to the department anticipated as a result of this legislation.

**CS FOR HOUSE BILL NO. 81(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES TILTON, Hughes, Gattis, Millett, Kito, LeDoux, Saddler

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an exemption from the regulation of construction contractors."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that the exemptions listed  
6 in AS 08.18.161, as amended by sec. 3 of this Act, be construed broadly to allow individuals  
7 the freedom and ability to construct and sell their own homes based on their own discretion.

8 \* **Sec. 2.** AS 08.18.116 is amended by adding a new subsection to read:

9 (b) If an owner files a notice of the advertisement of a structure for sale or the  
10 sale of a structure during the period of construction or for two years after the period of  
11 construction begins under AS 08.18.161(11), the department shall investigate and take  
12 appropriate action under this chapter if the notice and circumstances indicate that the  
13 owner is operating a business for which the owner is required to register as a  
14 contractor under this chapter.

15 \* **Sec. 3.** AS 08.18.161 is amended to read:

1           **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs  
2 contractors, this chapter does not apply to

3                   (1) an authorized representative of the United States government, the  
4 State of Alaska, or a political subdivision or agency of the state;

5                   (2) an officer of a court when acting within the scope of office;

6                   (3) a public utility operating under the regulations of the Regulatory  
7 Commission of Alaska in construction, maintenance, or development work incidental  
8 to its own business;

9                   (4) a construction, repair, or operation incidental to the discovering or  
10 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation  
11 of a petroleum or gas well or a surface or underground mine or mineral deposit when  
12 performed by an owner or lessee;

13                   (5) the sale or installation of finished products, materials, or articles of  
14 merchandise that are not actually fabricated into and do not become a permanent,  
15 fixed part of a structure;

16                   (6) construction, alteration, or repair of personal property;

17                   (7) a person who only furnished materials, supplies, or equipment  
18 without fabricating them into, or consuming them in the performance of, the work of  
19 the contractor;

20                   (8) [REPEALED

21                   (9)] an owner who contracts for a project with a registered contractor;

22                   (9) [(10)] a person working on **an existing structure on** that person's  
23 own property, whether occupied by the person or not, and a person working on that  
24 person's own **existing** residence, whether owned by the person or not;

25                   (10) [(11)] an owner or tenant of commercial property who uses the  
26 owner's or tenant's own employees to do maintenance, repair, and alteration work **on**  
27 [UPON] that property;

28                   (11) [(12)] an owner who acts as the owner's own contractor and in  
29 doing so **performs the work independently or** hires workers **or** [ON AN HOURLY  
30 BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying  
31 for all labor, subcontractors, and materials; in this case, the owner shall be limited to

1 construction of one home, duplex, triplex, four-plex, or commercial building every  
 2 two years; an owner who advertises the structure under construction for sale or  
 3 sells the structure during the period of construction or within two years after the  
 4 period of construction begins shall file, on forms provided by the department, a  
 5 notice indicating that the owner is not engaged in a business for which the owner  
 6 is required to register as a contractor under this chapter;

7 (12) [(13)] a person performing construction work incidental to  
 8 farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging,  
 9 fishing, clearing, or other work on [UPON] the land in rural districts for fire  
 10 prevention purposes, or access road building, unless the person is a licensee.

11 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
 12 read:

13 APPLICABILITY. This Act applies to construction begun under AS 08.18.161(11), as  
 14 amended by sec. 3 of this Act, on or after the effective date of this Act. For the purposes of  
 15 this section, construction begins on the date that is the earlier of when the owner

16 (1) begins the actual construction work; or

17 (2) enters into an agreement with another person for the other person to  
 18 provide labor, to act as a subcontractor, or to provide materials for the construction.

*Adopted  
4/14/16*

29-LS0346P  
Bruce  
4/12/16

**CS FOR HOUSE BILL NO. 81(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES TILTON, Hughes, Gattis, Millett, Kito, LeDoux, Saddler**

**A BILL**

**FOR AN ACT ENTITLED**

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7 the freedom and ability to construct and sell their own homes based on their own discretion.

8 \* **Sec. 2.** AS 08.18.116 is amended by adding a new subsection to read:

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10 sale of a structure during the period of construction or for two years after the period of  
11 construction begins under AS 08.18.161(11), the department shall investigate and take  
12 appropriate action under this chapter if the notice and circumstances indicate that the  
13 owner is operating a business for which the owner is required to register as a  
14 contractor under this chapter.

15 \* **Sec. 3.** AS 08.18.161 is amended to read:

1           **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs  
2 contractors, this chapter does not apply to

3                   (1) an authorized representative of the United States government, the  
4 State of Alaska, or a political subdivision or agency of the state;

5                   (2) an officer of a court when acting within the scope of office;

6                   (3) a public utility operating under the regulations of the Regulatory  
7 Commission of Alaska in construction, maintenance, or development work incidental  
8 to its own business;

9                   (4) a construction, repair, or operation incidental to the discovering or  
10 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation  
11 of a petroleum or gas well or a surface or underground mine or mineral deposit when  
12 performed by an owner or lessee;

13                   (5) the sale or installation of finished products, materials, or articles of  
14 merchandise that are not actually fabricated into and do not become a permanent,  
15 fixed part of a structure;

16                   (6) construction, alteration, or repair of personal property;

17                   (7) a person who only furnished materials, supplies, or equipment  
18 without fabricating them into, or consuming them in the performance of, the work of  
19 the contractor;

20                   (8) [REPEALED

21                   (9)] an owner who contracts for a project with a registered contractor;

22                   **(9)** [(10)] a person working on **an existing structure on** that person's  
23 own property, whether occupied by the person or not, and a person working on that  
24 person's own **existing** residence, whether owned by the person or not;

25                   **(10)** [(11)] an owner or tenant of commercial property who uses the  
26 owner's or tenant's own employees to do maintenance, repair, and alteration work **on**  
27 [UPON] that property;

28                   **(11)** [(12)] an owner who acts as the owner's own contractor and in  
29 doing so **performs the work independently or** hires workers **or** [ON AN HOURLY  
30 BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying  
31 for all labor, subcontractors, and materials; in this case, the owner shall be limited to

1 construction of one home, duplex, triplex, four-plex, or commercial building every  
2 two years; **an owner who advertises the structure under construction for sale or**  
3 **sells the structure during the period of construction or within two years after the**  
4 **period of construction begins shall file, on forms provided by the department, a**  
5 **notice indicating that the owner is not engaged in a business for which the owner**  
6 **is required to register as a contractor under this chapter;**

7 (12) [(13)] a person performing construction work incidental to  
8 farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging,  
9 fishing, clearing, or other work **on** [UPON] the land in rural districts for fire  
10 prevention purposes, or access road building, unless the person is a licensee.

11 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
12 read:

13 APPLICABILITY. This Act applies to construction begun under AS 08.18.161(11), as  
14 amended by sec. 3 of this Act, on or after the effective date of this Act. For the purposes of  
15 this section, construction begins on the date that is the earlier of when the owner

16 (1) begins the actual construction work; or

17 (2) enters into an agreement with another person for the other person to  
18 provide labor, to act as a subcontractor, or to provide materials for the construction.



REPRESENTATIVE CATHY TILTON  
ALASKA HOUSE OF REPRESENTATIVES

To: Honorable Steve Thompson, Co-chair  
Honorable Mark Neuman, Co-chair  
House Finance Committee

Cc: Jane Pierson, Aide  
Rep. Steve Thompson

From: Rep. Cathy Tilton

Date: March 8, 2016

Re: Summary of changes: HB 81, owner-builder exemption from construction-contractor licensing  
HB 81 Version P versus HB 81 Version H

HB 81 Version P differs from CSHB 81 (L&C), HB 81 Version H, in three ways:

1. Deletes "in order" from the legislative intent language from page 1, line 6, of HB 81 Version H because the words are not needed, as many grammarians often say.
2. Adds a new section 2 (page 1, lines 8 through 14) that adds a new subsection to AS 08.18.116 to require the Alaska Department of Commerce, Community, and Economic Development or the Alaska Department of Labor and Workforce Development to investigate and take appropriate action if an owner-builder tries to sell a structure while not licensed as a contractor during the time of constructing the building or two years after construction begins. See "begins" on line 11.
3. Replaces language in section 3 (page 3, lines 2 through 6) to require an owner-builder to notify the Alaska Department of Commerce, Community, and Economic Development on a form provided by the agency when advertising or selling a home built if an owner-builder tries to sell it while not licensed as a contractor during the time of constructing the building or two years after construction begins. See "begins" on line 4.

The previous versions of the bill would have required the owner-builder to get permission from the department to sell a building. HB 81 Version N changes this to require disclosure.

*Kindly note that this summary should not be considered an authoritative interpretation of the measure itself. The legislation itself is the best statement of its contents.*

Adopted  
4/9

WORK DRAFT

WORK DRAFT

WORK DRAFT

29-LS0346E  
Strasbaugh  
3/19/15

**CS FOR HOUSE BILL NO. 81( )**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**TWENTY-NINTH LEGISLATURE - FIRST SESSION**

**BY**

**Offered:  
Referred:**

**Sponsor(s): REPRESENTATIVES TILTON, Hughes, Gattis, Millett, Kito, LeDoux**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an exemption from the regulation of construction contractors."**

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

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7 individuals the freedom and ability to construct and sell their own homes based on their own  
8 discretion.

9 **\* Sec. 2.** AS 08.18.116 is amended by adding a new subsection to read:

10 (b) If an owner files a notice of the advertisement of a structure for sale or the  
11 sale of a structure during the period of construction or for two years after the period of  
12 construction ends under AS 08.18.161(11), the department shall investigate and take  
13 appropriate action under this chapter if the notice and circumstances indicate that the  
14 owner is operating a business for which the owner is required to register as a  
15 contractor under this chapter.

1 \* **Sec. 3.** AS 08.18.161 is amended to read:

2 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs  
3 contractors, this chapter does not apply to

4 (1) an authorized representative of the United States government, the  
5 State of Alaska, or a political subdivision or agency of the state;

6 (2) an officer of a court when acting within the scope of office;

7 (3) a public utility operating under the regulations of the Regulatory  
8 Commission of Alaska in construction, maintenance, or development work incidental  
9 to its own business;

10 (4) a construction, repair, or operation incidental to the discovering or  
11 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation  
12 of a petroleum or gas well or a surface or underground mine or mineral deposit when  
13 performed by an owner or lessee;

14 (5) the sale or installation of finished products, materials, or articles of  
15 merchandise that are not actually fabricated into and do not become a permanent,  
16 fixed part of a structure;

17 (6) construction, alteration, or repair of personal property;

18 (7) a person who only furnished materials, supplies, or equipment  
19 without fabricating them into, or consuming them in the performance of, the work of  
20 the contractor;

21 (8) [REPEALED

22 (9)] an owner who contracts for a project with a registered contractor;

23 (9) [(10)] a person working on an existing structure on that person's  
24 own property, whether occupied by the person or not, and a person working on that  
25 person's own existing residence, whether owned by the person or not;

26 (10) [(11)] an owner or tenant of commercial property who uses the  
27 owner's or tenant's own employees to do maintenance, repair, and alteration work on  
28 [UPON] that property;

29 (11) [(12)] an owner who acts as the owner's own contractor and in  
30 doing so performs the work independently or hires workers or [ON AN HOURLY  
31 BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying

1 for all labor, subcontractors, and materials; in this case, the owner shall be limited to  
2 construction of one home, duplex, triplex, four-plex, or commercial building every  
3 two years; an owner who advertises the structure under construction for sale or  
4 sells the structure during the period of construction or within two years after the  
5 period of construction ends shall file, on forms provided by the department, a  
6 notice indicating that the owner is not engaged in a business for which the owner  
7 is required to register as a contractor under this chapter;

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# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version: HB 81  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB081-DCCED-CBPL-4-08-15  
Title: EXEMPTION: LICENSING OF CONTRACTORS  
Sponsor: TILTON  
Requester: House Finance

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2016 Request	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
<b>OPERATING EXPENDITURES</b>	<b>FY 2016</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

<b>Change in Revenues</b>							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **07/01/16**

**Why this fiscal note differs from previous version:**

This fiscal note was zeroed out in House Finance with the intention that the Department absorb the anticipated \$2.5 in additional legal costs.

Prepared By: Representative Neuman Phone: (907)465-2679  
House Finance Committee Date: 04/08/2015  
Representative Thompson  
House Finance Committee

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

BILL NO. HB 81

**Analysis**

HB81 proposes to close a loophole in construction contractor licensing exemptions that allows those owning property, residences, or commercial buildings to act as their own contractor without meeting licensure standards. A property owner who acts as their own contractor may build or remodel without obtaining a contractor license if the structure is not advertised for sale or sold within two years after the construction period has ended.

The bill places the burden on the owner-contractor to prove to the Department of Commerce, Community, and Economic Development that their work under this exemption was not an attempt to circumvent the requirements of AS 08.18.

If the bill passes the following expenses will be incurred:

Services: \$2.5 (legal services and postage to amend regulations)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	CSHB 81(L&C)
Fiscal Note Number:	2
(H) Publish Date:	2/23/2015

Identifier: HB081-DCCED-CBPL-02-06-15  
 Title: EXEMPTION: LICENSING OF CONTRACTORS  
 Sponsor: TILTON  
 Requester: (H) LABOR AND COMMERCE

Department: Department of Commerce, Community and  
Economic Development  
 Appropriation: Corporations, Business and Professional  
Licensing  
 Allocation: Corporations, Business and Professional  
Licensing  
 OMB Component Number: 2360

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services	2.5							
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

1156 Rcpt Svcs	2.5							
<b>Total</b>	<b>2.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

<b>Change in Revenues</b>	2.5							
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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
 If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/16

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By:	Sara Chambers, Director	Phone:	(907)465-2538
Division:	Corporations, Business, and Professional Licensing	Date:	02/04/2015 10:11 PM
Approved By:	Catherine Reardon, Director	Date:	02/06/15
Agency:	Division of Administrative Services		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

## Analysis

HB81 proposes to close a loophole in construction contractor licensing exemptions that allows those owning property, residences, or commercial buildings to act as their own contractor without meeting licensure standards. A property owner who acts as their own contractor may build or remodel without obtaining a contractor license if the structure is not advertised for sale or sold within two years after the construction period has ended.

The bill places the burden on the owner-contractor to prove to the Department of Commerce, Community, and Economic Development that their work under this exemption was not an attempt to circumvent the requirements of AS 08.18.

If the bill passes the following expenses will be incurred:

Services: \$2.5 (legal services and postage to amend regulations)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.

# Fiscal Note

State of Alaska  
2015 Legislative Session

Bill Version:	CSHB 81(L&C)
Fiscal Note Number:	1
(H) Publish Date:	2/23/2015

Identifier: HB081-DOLWD-MI-02-06-15  
 Title: EXEMPTION: LICENSING OF CONTRACTORS  
 Sponsor: TILTON  
 Requester: House Labor and Commerce

Department: Department of Labor and Workforce Development  
 Appropriation: Labor Standards and Safety  
 Allocation: Mechanical Inspection  
 OMB Component Number: 346

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2016 Appropriation Requested	Included in Governor's FY2016 Request	Out-Year Cost Estimates					
			FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

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**Estimated SUPPLEMENTAL (FY2015) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2016) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
 If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Grey Mitchell, Director  
 Division: Labor Standards and Safety  
 Approved By: Heidi Drygas, Commissioner  
 Agency: Department of Labor and Workforce Development

Phone: (907)465-4842  
 Date: 02/06/2015 01:30 PM  
 Date: 02/06/15

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2015 LEGISLATIVE SESSION

**Analysis**

The bill amends AS 08.18.161 by clarifying that the terms and restrictions of the owner builder exemption from contractor licensing also apply to an individual who performs all of the work independently. The bill adds a condition that restricts an owner builder from advertising for sale or selling a building within two years that was constructed under the exemption from contractor licensing requirements in this statute.

There is no fiscal impact to the department anticipated as a result of this legislation.

**CS FOR HOUSE BILL NO. 81(L&C)**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-NINTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Offered: 2/23/15  
Referred: Finance

Sponsor(s): REPRESENTATIVES TILTON, Hughes, Gattis, Millett, Kito, LeDoux

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to an exemption from the regulation of construction contractors."**

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

3 \* **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section  
4 to read:

5 LEGISLATIVE INTENT. It is the intent of the legislature that the exemptions listed  
6 in AS 08.18.161, as amended by sec. 2 of this Act, be construed broadly in order to allow  
7 individuals the freedom and ability to construct and sell their own homes based on their own  
8 discretion.

9 \* **Sec. 2.** AS 08.18.161 is amended to read:

10 **Sec. 08.18.161. Exemptions.** To the extent that this chapter governs  
11 contractors, this chapter does not apply to

- 12 (1) an authorized representative of the United States government, the  
13 State of Alaska, or a political subdivision or agency of the state;  
14 (2) an officer of a court when acting within the scope of office;  
15 (3) a public utility operating under the regulations of the Regulatory

1 Commission of Alaska in construction, maintenance, or development work incidental  
2 to its own business;

3 (4) a construction, repair, or operation incidental to the discovering or  
4 producing of petroleum or gas, or the drilling, testing, abandoning, or other operation  
5 of a petroleum or gas well or a surface or underground mine or mineral deposit when  
6 performed by an owner or lessee;

7 (5) the sale or installation of finished products, materials, or articles of  
8 merchandise that are not actually fabricated into and do not become a permanent,  
9 fixed part of a structure;

10 (6) construction, alteration, or repair of personal property;

11 (7) a person who only furnished materials, supplies, or equipment  
12 without fabricating them into, or consuming them in the performance of, the work of  
13 the contractor;

14 (8) [REPEALED

15 (9)] an owner who contracts for a project with a registered contractor;

16 (9) [(10)] a person working on **an existing structure on** that person's  
17 own property, whether occupied by the person or not, and a person working on that  
18 person's own **existing** residence, whether owned by the person or not;

19 (10) [(11)] an owner or tenant of commercial property who uses the  
20 owner's or tenant's own employees to do maintenance, repair, and alteration work **on**  
21 [UPON] that property;

22 (11) [(12)] an owner who acts as the owner's own contractor and in  
23 doing so **performs the work independently or** hires workers **or** [ON AN HOURLY  
24 BASIS, HIRES] subcontractors, purchases materials, and, as such, sees to the paying  
25 for all labor, subcontractors, and materials; in this case, the owner shall be limited to  
26 construction of one home, duplex, triplex, four-plex, or commercial building every  
27 two years; **the exemption in this paragraph does not apply if the structure under**  
28 **construction is advertised for sale or sold during the period of construction or for**  
29 **two years after the period of construction ends, unless the owner can**  
30 **demonstrate to the department's satisfaction that the sale would not result in**  
31 **circumvention of the requirements under this chapter;**

1                    (12) [(13)] a person performing construction work incidental to  
2 farming, dairying, agriculture, horticulture, stock or poultry raising, mining, logging,  
3 fishing, clearing, or other work upon the land in rural districts for fire prevention  
4 purposes, or access road building, unless the person is a licensee.

5        \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
6 read:

7                    **APPLICABILITY.** This Act applies to construction begun under AS 08.18.161(11), as  
8 amended by sec. 2 of this Act, on or after the effective date of this Act. For the purposes of  
9 this section, construction begins on the date that is the earlier of when the owner

10                    (1) begins the actual construction work; or

11                    (2) enters into an agreement with another person for the other person to  
12 provide labor, to act as a subcontractor, or to provide materials for the construction.

# Representative Cathy Tilton

*Alaska State Legislature – House District 12*



## **Sponsor Statement-HB81**

### **HB81 – An Act relating to an exemption from the regulation of construction contractors**

While other states in our nation are beginning to realize the benefits and necessity of constructing quality and energy efficient homes, residential construction in Alaska over the past twenty years has become a leader in innovation and affordability.

Following the housing market crash of the 1980's, the Alaska Legislature passed laws and standards raising the bar for homebuilders. Residential contractors were mandated to receive a state-licensed residential endorsement, bonding, and insurance. In addition, energy efficiency programs such as the Alaska Craftsman Home Program and energy ratings were established through the Alaska Housing Finance Corporation.

These efforts were successful. Alaska has become a home construction industry that offers many different quality options for buyers that are efficient and affordable.

But there are a growing number of individuals who have found exemptions in Alaska's statutes regarding requirements for licensing, bonding, and insurance. By avoiding licensing, bonding, and insurance requirements in the law, they are skirting the law and jeopardizing protections for consumers.

The exemption most commonly exploited is known as the "owner-builder exemption" in AS 08.18.161. Alaska law currently exempts anyone who wants to build their own home from contractor licensing requirements, but the wording of the exemption in statute creates an enforcement problem and allows abuse by those who are building homes for sale without the required state license.

The proposed bill would amend the law by removing the exemption for anyone who tries to construct homes for sale. In cases where an owner-builder finds that they need to sell their home for a legitimate reason, there is a provision for the Department of Labor to waive any enforcement action.

State Capitol Rm. 411  
907.465.2199  
Rep.Cathy.Tilton@akleg.gov

# Representative Cathy Tilton

Alaska State Legislature – House District 12



## SECTIONAL ANALYSIS

CSHB 81

(29-LS0346\E)

“An Act relating to an exemption from the regulation of construction contractors.”

**Section 1 (Page 1, lines 3-8)** – Section 1 adds a new section stating that the intent of this bill is not to limit the freedom and ability of a person to construct or sell their own home.

**Section 2 (Page 1, lines 9-15)** – Section 2 adds a new subsection directing that the department shall investigate and take action if the notice and circumstances of a sale under AS 08.18.161(11) indicate that the owner is operating a business that requires them to register as a contractor under this chapter.

**Section 3 (Page 2, line 1 through Page 3, line 11)** – Section 3 accomplishes three things.

1. Page 2, lines 23-25 adds clarification explicitly stating that AS 08.18.161(9) refers to existing structures.
2. Page 2, lines 30 and 31 expand the exemption in AS 08.18.161(11) to include owners acting as their own contractor, as well as hired workers or subcontractors. Previously this exemption strictly applied to workers hired on an hourly basis.
3. Page 3, lines 3-7 add a requirement for an owner-builder to provide notification if they advertise or sell their home build under AS 08.18.161(11) before the two year period in statute.

**Section 4 (Page 3, lines 12-19)** –Section 4 clarifies that for the purposes of this section, construction begins when the owner begins the actual construction work or enters into an agreement with another person for the other person to provide labor, act as a subcontractor, or provide materials for the construction.

State Capitol Rm. 411  
907.465.2199  
Rep.Cathy.Tilton@akleg.gov



# **Alaska State Home Building Association**

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February 11, 2015

The Honorable Cathy Tilton  
Alaska House of Representatives  
State Capital Building  
Juneau, Alaska

RE: Support for HB81, exemptions from construction contract

Dear Representative Tilton:

This letter is to express support for House Bill 81, an Act relating to an exemption from the regulation of construction contractors, on behalf of the Alaska State Home Building Association (ASHBA).

ASHBA is a statewide trade association dedicated to maintaining high standards in the building industry. We are member-driven organization that encourages good building practices that are sound and ethical, and we promote public policy and legislation that helps to achieve this same criteria.

Under current state law (AS08.18.025), a contractor may not construct or renovate a home without a "residential contractor endorsement". The law requires the contractor obtain a certificate of registration, pass an examination, pay the fees, and acquire the necessary bonding and insurance. This certificate is commonly called a contractor's license.

Alaska law also provides many exemptions from the requirements of AS08.18.025. One of these licensing exemptions is for individuals who want to act as their own general contractor for building their own home.

ASHBA wholeheartedly supports the ability of Alaskans to be able to act as their own contractor. But more and more we see situations where the exemption is used to operate significant construction companies. Under the guise of building homes for themselves and each of individual family members, there are numerous cases of multiple homes being built and sold every year by the same contractor without any of the requirements of AS18.18.025.

P.O. Box 91444 • Anchorage, Alaska 99509  
Phone (907) 644-4190 • FAX (888) 732-1401  
Website: [www.buildersofalaska.com](http://www.buildersofalaska.com)  
E-mail: [alaskastatehomebuildingassoc@gmail.com](mailto:alaskastatehomebuildingassoc@gmail.com)

HB81 is a reasonable amendment that says homes built without a license are prohibited from being advertised for sale for up to 2 years. If an individual who builds a home under this exemption needs to sell the home for any reason, there is a broad allowance to sell if they simply notify the state.

Thank you for your sponsorship of this legislation. ASHBA supports HB81, and we believe it will provide a reasonable safeguard for consumers while maintaining opportunities for people to build their own home.

Sincerely,

A handwritten signature in cursive script that reads "Chuck Homan". The signature is written in black ink and is positioned above a horizontal line that spans the width of the page.

Chuck Homan, President  
Alaska State Home Building Association

February 10, 2015

The Honorable Cathy Tilton  
Alaska House of Representatives  
State Capital Building  
Juneau, Alaska

Dear Representative Tilton:

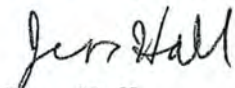
Thank you for sponsoring House Bill 81, an Act relating to contractor exemptions. This letter is to express my support for HB81.

HB81 relates to owner-builders who construct homes for themselves without getting a contractor's license. Presently one may build a home for themselves once every two years. There are many situations in Alaska where owner-builders are constructing and selling homes every year.

This bill will require that a home constructed under the exemption for owner-builders without a license cannot be advertised for sale or sold within the two-year period following construction. There is also a broad allowance for a sale within the two-year period by providing a simple notification to the state.

I appreciate your sponsorship and efforts to address this important issue. My hope is that this bill will pass this session.

Sincerely,



Jess Hall  
Hall Quality Homes  
PO Box 1987  
Palmer, Alaska 99645

## Daniel Bellerive

---

**From:** Rep. Cathy Tilton  
**Sent:** Tuesday, February 17, 2015 8:26 AM  
**To:** Daniel Bellerive  
**Subject:** FW: HB81

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

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**From:** Scott Allen  
**Sent:** Tuesday, February 17, 2015 8:25:35 AM (UTC-09:00) Alaska  
**To:** Rep. Cathy Tilton  
**Subject:** HB81

Rep. Tilton,

"I support House Bill 81 as a way to protect consumers when they purchase a home. Alaskans should be free to build their own homes. This bill protects that right, however, the amendment offered by yourself clarifying "That a person working on that person's own existing property" helps to insure that someone who builds solely for the purpose of selling homes follows the current law to get fully licensed, insured and bonded."

Thank you.

Scott Allen | **General Manager** | Trailboss Solutions, LLC

**P: 907.646.1403 | F: 907.646.1409 | E-mail: [sallen@tsllcak.com](mailto:sallen@tsllcak.com) | WEB: [www.trailboss-solutions.com](http://www.trailboss-solutions.com)**

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## Daniel Bellerive

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**From:** Rep. Cathy Tilton  
**Sent:** Wednesday, February 18, 2015 8:26 AM  
**To:** Daniel Bellerive  
**Subject:** FW: HB81

---

**From:** Green, Richard  
**Sent:** Wednesday, February 18, 2015 8:25:46 AM (UTC-09:00) Alaska  
**To:** Rep. Cathy Tilton  
**Subject:** HB81

Cathy,

Thank you for carrying HB81. Below is the message I am sending the others on the House Labor and Commerce Committee:

HB 81 is a bill that is needed to defined who the "owner builder" exemption is intended for. Every Alaskan should have the right to build their own house, shop or whatever on their property. HB81 does not interfere with that right. The problem arises when a person uses the "owner builder " exemption to act as general a contractor and build houses for immediate sale, doing so without the insurance, and bonding that a general contractor's license requires. Requirements placed upon the contractor by the State to protect your constituents. If you believe anyone should be able to be a builder, then we need to change and or do away with the requirements we now place on our licensed general contractors.

Thank you for serving like you do.

**Richard Green**

**108 Wilderness Drive**

**Fairbanks, Alaska 99712**

907-450-2223

907-388-1833 cell

**Richard Green LEED-AP BD&C**

General Manager/Fairbanks

Spenard Builders Supply/ProBuild

2460 Phillips Field Road

Fairbanks Alaska, 99701

907-450-2223

907-388-1833 c

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## Daniel Bellerive

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**From:** Rep. Cathy Tilton  
**Sent:** Wednesday, February 18, 2015 10:49 AM  
**To:** Daniel Bellerive  
**Subject:** FW: HB 81 Yes

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**From:** Richard Carr  
**Sent:** Wednesday, February 18, 2015 10:48:17 AM (UTC-09:00) Alaska  
**To:** Representative.Kurt.Olson@akleg.gov; Rep. Shelley Hughes; Rep. Cathy Tilton; Rep. Jim Colver  
**Subject:** HB 81 Yes

Hello all. I support HB 81. It protects consumers when they buy a home; It still keeps intact the right to build one's own home; it levels the business field between legitimate builders and those who illegally use the system's loopholes to essentially be a commercial home builder.

Thank you for your public service.

Richard Carr- Mat-Su Valley

February 24, 2015

Please put this letter on the record against HB 81.

My Name is James Squyres. I am an Article I, Section 2 Alaskan.

I am not a Contractor and am actually a CPA by profession. I Oppose this Bill. I live remote, off the grid, in the Unorganized Borough, and I feel that you folks who live in the more urban parts of this state may not realize the unintended consequences that may be an outcome of this legislation.

"No man's life, liberty or property are safe while the Legislature is in session" - Quote by Mark Twain

I take exception with the language that states "two years after the period of construction ends"

Let's take a 30,000 foot view looking down on the State of Alaska. We see that over ½ of this state geographically is in the unorganized borough. Many people out here pay cash for their land and build on a pay-as-you-can afford basis. Many folks live SAFELY and comfortably in unfinished structures where the "construction has not ended". They are building in one of the harshest environments on earth WITHOUT COMPLAINT until the legislature gets into their affairs. MOREOVER many folks out here have multiple properties and acquire multiple structures, oftentimes all of them are uncompleted, as they better their position and move closer to a job or closer/further from town. If this individual had to, or wanted to, sell everything at once and leave due to a change of job, loss of health or any other reason they could run afoul of this bill with an extra onerous burden that they would otherwise not have to bear.

On a different note - another consideration not being discussed. I have heard "CLOSE A LOOPHOLE" and "LEVEL THE PLAYING FIELD" but I have not heard the contrast regarding an owner builder who puts up his own capital and does not receive 1 dime unless his structure sells for more than what he has in it. This entrepreneur bears the full risk of the market vs. the Contractor who works for others for contracted amounts and who receives progress payments, yet puts up no capital. FURTHERMORE, looking at Webster's dictionary the definition of a contractor is "one of the parties to a contract" of which the owner builder is NOT contracting per se. There is a HUGE inherent difference. The subsequent contract to SELL his property is a different matter than a contract to build, of which you need to be duly licensed etc. That is an IMPORTANT point I wanted to make.

"The best way to take control over a people and control them utterly is to take a little of their freedom at a time, to erode rights by a thousand tiny and almost imperceptible reductions. In this way the people will not see these rights and freedoms being removed until past the point at which these changes cannot be reversed" - Quote by Adolf Hitler

This is not the first time this legislation has come up. I was opposed to it last year and it failed to make it through. You legislators are paid to be a part of this issue and the contractor's lobby clearly THINKS they have a financial interest in this as it keeps coming back up. I would hazard a guess that most of us testifying against this bill are not being paid in any form or fashion, as I myself am not, and that we are being unnecessarily burdened by the state by having to continually be vigilant as per the Mark Twain quote at the beginning of this letter. Even with a fiscal note of zero it costs the state significant money and time for this bill to be repeatedly dragged through the legislative process which is not a good thing in this time of fiscal crisis. If this is a problem in some urban area of the state it should be handled locally perhaps as a borough or municipal ordinance. Throwing a lasso around the state and including the most remote cabin is an unnecessary unintended consequence. I implore you to not allow this bill to go any further.

Sincerely,

James Squyres  
PO Box 1544  
Delta Junction, AK 99737

**From:** Rainbow Chaser

**To:** Heath Hilyard

**Cc:** Rep. Mark Neuman; Rep. Steve Thompson; Rep. Lynn Gattis; Rep. Tammie Wilson

**Subject:** Re: New CS for HB 81

**Date:** Monday, March 30, 2015 11:39:55 AM

Heath Hilyard, There are still problems with HB 81. I look forward to talking to you over the phone on this matter.

1) "shall" investigate "if" notice and intent indicate... not clean language. The department still has to check each sale to determine "circumstances" thus enforcement and a FISCAL NOTE, not to mention AN ADDITIONAL FISCAL NOTE under last year's HB140 to let everyone know in the far corners of the state of this increased level of compliance ie completing the new "form". No one is considering that.

2) "two years after the period of construction ends" still bad language. You folks still do not understand that does not work for rural Alaska. Many folks build and live in "uncompleted" homes for many years so the time does not ever start ticking, they may have to be forever compliant to filling out this "Form".

3) Filling out that form is like having to get a license to sell your house. Rural Alaska will go nuts when they figure out this is going on behind their back.

4) The unintended consequences of this bill go far beyond the intent to snare a few home builders who are abusing the system and degrade the Liberty of many to address the few. The two amendments offered by Jim Colver did a better job of addressing the situation and the second one offered by Colver was virtually the same as one offered by Mike Dunleavy last year, both who have large constituencies in rural Alaska (unorganized borough).

James Squyres

803-0135

-----  
On Mon, 3/30/15, Heath Hilyard <Heath.Hilyard@akleg.gov> wrote:

Subject: New CS for HB 81

To: "svrainbowchaser@yahoo.com" <svrainbowchaser@yahoo.com>

Date: Monday, March 30, 2015, 10:27 AM

Heath E.

Heath E. Hilyard, Chief of  
Staff

Rep. Cathy

Tilton (R-District 12)

907.465.6580 –

Direct

907.244.4909 – Cell

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Representative Cathy Tilton that is solely for the recipient named above and which may be confidential or privileged. REPRESENTATIVE

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(907.465.2199 during session, and 907.373.6298 during

interim) or by electronic mail (Heath.Hilyard@akleg.gov).

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**From:** Rep. Steve Thompson  
**Sent:** Wednesday, April 08, 2015 9:47 AM  
**To:** House Finance Legislation  
**Subject:** FW: HB 81

Please add this to the online letters. Opposition to HB 81

**From:** Patrick Dalton [mailto:[daltonlogshells@gmail.com](mailto:daltonlogshells@gmail.com)]  
**Sent:** Tuesday, February 24, 2015 5:11 PM  
**To:** Rep. Mark Neuman; Rep. Steve Thompson  
**Subject:** Fwd: HB 81

----- Forwarded message -----

**From:** **Patrick Dalton** <[daltonlogshells@gmail.com](mailto:daltonlogshells@gmail.com)>  
**Date:** Tue, Feb 24, 2015 at 4:57 PM  
**Subject:** HB 81  
**To:** [representative.Jim.Colver@akleg.gov](mailto:representative.Jim.Colver@akleg.gov)

Representative Colver,

I am a licensed contractor. I was forced into getting a contractors license many years ago just to do handyman work and log building. I did it out of compliance to a law and regulation which was unfairly interfering with my ability just to make a living. Many did not as I did, and are still working for a living, unlicensed. I feel that my responsibility is to posit my finger in this breach whenever possible, and help hold back further damage to my fellow citizens' freedom to build and work in this state.

Since that time there have been further erosions of the small guy's private property rights and right to work as well. At the appropriate time I will explain the historical erosion process that is underway in this area.

For now, I congratulate you with the highest praise for your opposition and pragmatic alternative to resolving consumer problems with housing issues. I do believe disclosure can reduce a lot of problems. HB 81 must be stopped!

Each Borough has the autonomy to deal with the issue in it's own unique way. This is maximum local control, is it not?

The state legislature need not burden it's time and budget, devising a shoe to fit all feet.

Furthermore in this delicate house financing decline, we should be encouraging individual house building of whatever sort it might be. Every home built helps generate the economy through materials purchased and people hired. We should not underestimate the potential negative impact by unnecessary regulations in my opinion.

Above all, private property is a signature of a free society. If we allow inroads into this, we should be alarmed and ashamed.

I would appreciate this letter being in the record opposing HB 81, in any or every committee.

Thank you for your courage to stand up for what is right!

Sincerely,

Patrick Dalton  
Delta Junction, AK