

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: 4/14/16

Referred: Rules

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.