

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

SENATE BILL 747

By: Senator Maloch

For An Act To Be Entitled

AN ACT CONCERNING CONTRACTOR LICENSING REQUIREMENTS;
AND FOR OTHER PURPOSES.

Subtitle

CONCERNING CONTRACTOR LICENSING
REQUIREMENTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. DO NOT CODIFY. Findings and purpose.

The General Assembly finds that:

(1) The current requirement for obtaining a contractor's license for construction projects that exceed twenty thousand dollars (\$20,000) was established in 1951;

(2) The purchasing equivalent of twenty thousand dollars (\$20,000) in 1951 is over two hundred fifty thousand dollars (\$250,000) today;

(3) The cost of labor and materials to perform construction projects has risen commensurate with the increase in a dollar's purchasing power; and

(4) Contractor licensing requirements should be updated to reflect that the cost of a construction project that required licensure in 1951 when the current licensing requirement was established would be in excess of two hundred fifty thousand dollars (\$250,000) today.

SECTION 2. Arkansas Code § 17-25-101 is amended to read as follows:
17-25-101. Definition.



(a)(1) As used in this chapter, "contractor" means ~~any~~ a person, firm, partnership, copartnership, association, corporation, or other organization, or ~~any~~ a combination thereof, that, for a fixed price, commission, fee, or wage, attempts to or submits a bid to construct or demolish, or contracts or undertakes to construct or demolish, or assumes charge, in a supervisory capacity or otherwise, or manages the construction, erection, alteration, demolition, or repair, or has or have constructed, erected, altered, demolished, or repaired, under his or her, their, or its direction, any building, apartment, condominium, highway, sewer, utility, grading, or any other improvement or structure on public or private property for lease, rent, resale, public access, or similar purpose, except a single-family residences residence as defined in § 17-25-502, when the cost of the work to be done, ~~or done, the cost of the work to be done~~ in the State of Arkansas by the contractor, including ~~but not limited to,~~ without limitation labor and materials, is ~~twenty thousand dollars (\$20,000)~~ fifty thousand dollars (\$50,000) or more.

(2) However, when a person or an entity acts as a contractor in the construction, erection, alteration, demolition, or repair of his or her own or its own property, such action shall not result in the person or entity being required to obtain a license, but the person or entity shall comply with all other provisions of this subchapter.

(b) ~~However, the twenty thousand dollar exception shall not apply to any project of construction in which any of~~ If the construction work necessary to complete ~~the~~ a project, except any in-progress change orders, is divided into separate contracts of amounts ~~less than twenty thousand dollars (\$20,000)~~ that total fifty thousand dollars (\$50,000), a purpose being to circumvent the provisions of this chapter or more, the definition of "contractor" in this section applies.

(c) It is the intention of ~~this~~ the definition of "contractor" in this section to include all improvements, demolition, or structures, ~~excepting only other than~~ single-family residences as defined in § 17-25-502.

(d)(1) Materials purchased by a prime contractor from a third party shall not be considered as part of the subcontractor's project if the prime contractor has the proper classification listed on a current contractor's license for the work being performed by the subcontractor.

(2) Materials purchased by a person or an entity acting as a

contractor in the construction, erection, alteration, or repair of his or her own or its own property from a third party shall not be considered as a part of the subcontractor's project, provided that the subcontract is for wood framing, shingle roofing, painting, floor covering, or concrete labor.

SECTION 3. Arkansas Code § 17-25-103(a)(1)(A), concerning penalties for the failure to obtain a contractor's license, is amended to read as follows:

(1)(A) For a fixed price, commission, fee, or wage attempts to or submits a bid or bids to construct or demolish or contracts to construct or demolish, or undertakes to construct or demolish, or assumes charge in a supervisory capacity or otherwise, or manages the construction, erection, alteration, demolition, or repair of, or has constructed, erected, altered, demolished, or repaired, under his or her or its direction, any building, apartment, condominium, highway, sewer, utility, grading, or any other improvement or structure, when the cost of the work to be done or actually done, in the State of Arkansas by the contractor, including ~~but not limited to,~~ without limitation labor and materials, is ~~twenty thousand dollars (\$20,000)~~ fifty thousand dollars (\$50,000) or more, without first having procured a license with the proper classification to engage in the business of contracting in this state.

SECTION 4. Arkansas Code § 17-25-301(b)(1), concerning proof of a contractor's license, is amended to read as follows:

(b)(1) Upon making application to the building inspector or other authority of any incorporated city or town in Arkansas charged with the duty of issuing building or other permits for the construction of any building, apartment, condominium, utility, highway, sewer, grading, or any other improvement or structure, when the cost of the work to be done by the contractor, ~~but not limited to~~ including labor and materials, is ~~twenty thousand dollars (\$20,000)~~ fifty thousand dollars (\$50,000) or more, ~~any a~~ person, firm, or corporation, before being entitled to the issuance of such permits, shall furnish satisfactory proof to the inspector or authority that he or she is duly licensed under the terms of this chapter.

SECTION 5. Arkansas Code § 17-25-401(b), concerning the definition of

a "contractor" for bonding purposes, is amended to read as follows:

(b) However, when a person or entity acts as a contractor in the construction, erection, alteration, or repair of his or her own or its own property or of a single-family residence as defined in § 17-25-502, or if the cost of the work to be done, including, ~~but not limited to,~~ without limitation labor and materials, is less than ~~twenty thousand dollars (\$20,000)~~ fifty thousand dollars (\$50,000), the person or entity shall not be deemed a contractor under this chapter.