

"AN ACT TO AMEND SECTION 1 OF ACT 150 OF 1965, AS AMENDED [ARK. STATS. 71-701]; TO AMEND SECTION 13 OF ACT 150 OF 1965 [ARK. STATS. 71-712]; TO AMEND SUBSECTION (1) OF SUBSECTION (B) OF SECTION 14 OF ACT 150 OF 1965, AS AMENDED [ARK. STATS. 71-713(B)(1)], TO CLARIFY AND STRENGTHEN THE ENFORCEMENT OF THE CONTRACTORS LICENSING LAW; AND FOR OTHER PURPOSES."

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

SECTION 1. That Section 1 of Act 150 of 1965, as amended, the same being Section 71-701 of the Arkansas Statutes, is hereby amended to read as follows:

"Section 1. For the purposes of this Act, a 'contractor' is defined to be any person, firm, partnership, co-partnership, association, corporation, or other organization, or any combination thereof, who for a fixed price, commission, fee or wage attempts to or submits a bid to construct, or contracts or undertakes to construct, or assumes charge, in a supervisory capacity or otherwise, or to manage the construction, erection, alteration, or repair, or has or have constructed, erected, altered, or repaired, under his, 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 single-family residences, when the cost of the work to be done, or done, in the State of Arkansas by the contractor, including but not limited to labor and materials, is Twenty Thousand Dollars (\$20,000.00) or more, provided, however, the \$20,000 exception shall not apply to any project of construction in which any of the construction work necessary to complete the project, except any in progress change orders, is divided into separate contracts of amounts less than \$20,000, a purpose being to circumvent the provisions of this Act. It is the intention of this definition to include all improvements or structures, excepting only single-family residences.

Architects and engineers, whose only financial interest in a project shall be the architectural or engineering fees for preparing plans, specifications, surveys, and such supervision as is customarily furnished by architects and engineers, are specifically excluded from this Act."

SECTION 2. That Section 13 of Act 150 of 1965, as amended, the same being Section 71-712 of the Arkansas Statutes, is hereby amended to read as follows:

"Section 13. (A) The issuance of a certificate of license by this Board shall be evidence that the person, firm or corporation named therein is entitled to all of the rights and privileges of a licensed contractor while such license remains unrevoked or unexpired.

(B) Any person, firm or corporation, upon making application to the building inspector or such other authority of any incorporated city, town or village 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 labor and materials, is \$20,000 or more, shall, before being entitled to the issuance of such permits, furnish satisfactory proof to such inspector or authority that he is duly licensed under the terms of this Act, and it shall be unlawful for such building inspector or other authority to issue or allow the issuance of

such building permit unless and until the applicant has furnished evidence that he is either exempt from the provisions of this Act or is duly licensed under this Act to carry out or superintend the work for which permit has been applied."

SECTION 3. That subsection (1) of subsection (B) of Section 14 of Act 150 of 1965, as amended, the same being Section 71-713(B)(1) of the Arkansas Statutes, is hereby amended to read as follows:

"(1) Any contractor who, after notice and hearing, is found by the Contractors Licensing Board to have violated, or used a contractor in violation of, this Section, shall pay to the Board a civil penalty of not less than One Hundred Dollars (\$100.00) nor more than Four Hundred Dollars (\$400.00) per day for said activity; provided that the said penalty shall not exceed three percent (3%) of the total contract being performed by said contractor. The penalty provided for herein plus interest at ten percent (10%) per annum, shall be paid to the Contractors Licensing Board before the contractor can be issued a license to engage in the business of contracting in the State. In addition to the assessment of said penalty, the Contractors Licensing Board may, upon a finding of a violation of this Section, issue an order of abatement directing the contractor to cease all actions constituting a violation of this Section."

APPROVED: 4/1/87

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