

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representative Ray

A Bill

HOUSE BILL 1740

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 17-22-101 TO EXEMPT
9 PROJECTS UNDER \$40,000 FROM THE CONTRACTOR_S LICENSURE
10 LAW; CONCERNING COMPLIANCE WITH THE CONTRACTOR_S LICENSURE
11 LAW; TO AMEND ARKANSAS CODE 17-22-401(b) TO CONFORM THE
12 CONTRACTOR_S BONDS LAW WITH THIS ACT; AND FOR OTHER
13 PURPOSES."

Subtitle

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17 "AN ACT CONCERNING LICENSURE AS A
18 CONTRACTOR AND CONCERNING THE
19 CONTRACTOR_S BOND LAW."
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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23 SECTION 1. Arkansas Code 17-22-101 is amended to read as follows:
24 "17-22-101. Definition.

25 (a) As used in this chapter, unless the context otherwise requires,
26 contractor means any person, firm, partnership, copartnership, association,
27 corporation, or other organization, or any combination thereof, who, for a
28 fixed price, commission, fee, or wage, attempts to or submits a bid to
29 construct, or contracts or undertakes to construct, or assumes charge, in a
30 supervisory capacity or otherwise, or manages the construction, erection,
31 alteration, or repair, or has or have constructed, erected, altered, or
32 repaired, under his, their, or its direction, any building, apartment,
33 condominium, highway, sewer, utility, grading, or any other improvement or
34 structure on public or private property for lease, rent, resale, public
35 access, or similar purpose, except single-family residences, when the cost of

1 the work to be done, or done, in the State of Arkansas by the contractor,
2 including, but not limited to, labor and materials, is forty thousand dollars
3 (\$40,000) or more. However, when a person or entity acts as a contractor in
4 the construction, erection, alteration, or repair of his own or its own
5 property, such action shall not result in the person or entity being required
6 to obtain a license, but the person or entity must comply with all other
7 provisions of this subchapter.

8 (b) However, the forty thousand dollar (\$40,000) exception shall not
9 apply to any project of construction in which any of the construction work
10 necessary to complete the project, except any in-progress change orders, is
11 divided into separate contracts of amounts less than forty thousand dollars
12 (\$40,000), a purpose being to circumvent the provisions of this chapter.

13 (c) It is the intention of this definition to include all improvements
14 or structures, excepting only single-family residences.

15 (d) Materials purchased by a prime contractor from a third party shall
16 not be considered as part of the subcontractor_s project, if the prime
17 contractor has the proper classification listed on a current contractor_s
18 license for the work being performed by the subcontractor."

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20 SECTION 2. Arkansas Code 17-22-401(b) is amended to read as follows:

21 "(b) However, when a person or entity acts as a contractor in the
22 construction, erection, alteration, or repair of his own or its own property
23 or of a single-family residence, or if the cost of the work to be done,
24 including, but not limited to, labor and materials, is less than forty
25 thousand dollars (\$40,000), the person or entity shall not be deemed a
26 contractor under this chapter."

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28 SECTION 3. All provisions of this act of a general and permanent
29 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
30 Code Revision Commission shall incorporate the same in the Code.

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32 SECTION 4. If any provision of this act or the application thereof to
33 any person or circumstance is held invalid, such invalidity shall not affect
34 other provisions or applications of the act which can be given effect without
35 the invalid provision or application, and to this end the provisions of this

1 act are declared to be severable.

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3 SECTION 5. All laws and parts of laws in conflict with this act are
4 hereby repealed.

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6 SECTION 6. EMERGENCY. It is found and determined by the Eightieth
7 General Assembly of the State of Arkansas that it is customary for prime
8 contractors to supply materials to certain types of subcontractors; that in
9 determining whether a subcontractor is involved in a project for which he
10 must be licensed, the cost of the materials is included, even if the
11 materials have been provided by the prime contractor; that this requirement
12 places an unfair burden on some subcontractors and that this act is necessary
13 to provide immediate relief to the subcontractors. Therefore, an emergency
14 is hereby declared to exist and this act being necessary for the immediate
15 preservation of the public peace, health and safety shall be in full force
16 and effect from and after its passage and approval.

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