

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

A Bill

SENATE BILL 653

For An Act To Be Entitled

8 "AN ACT TO AMEND THE CONTRACTORS LICENSING LAW TO REQUIRE
9 RESIDENTIAL CONSTRUCTION CONTRACTORS TO BE LICENSED AND
10 POST BOND WITH THE CONTRACTORS LICENSING BOARD; AND FOR
11 OTHER PURPOSES."

Subtitle

14 "AN ACT TO AMEND THE CONTRACTORS
15 LICENSING LAW TO REQUIRE RESIDENTIAL
16 CONSTRUCTION CONTRACTORS TO BE LICENSED
17 AND POST BOND WITH THE CONTRACTORS
18 LICENSING BOARD."

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

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

24 (a) As used in this chapter, unless the context otherwise requires,
25 contractor means any person, firm, partnership, copartnership, association,
26 corporation, or other organization, or any combination thereof, who, for a
27 fixed price, commission, fee, or wage, attempts to or submits a bid to
28 construct, or contracts or undertakes to construct, or assumes charge, in a
29 supervisory capacity or otherwise, or manages the construction, erection,
30 alteration, or repair, or has or have constructed, erected, altered, or
31 repaired, under his, their, or its direction, any building, apartment,
32 condominium, highway, sewer, utility, grading, or any other improvement or
33 structure on public or private property for lease, rent, resale, public
34 access, or similar purpose, when the cost of the work to be done, or done, in
35 the State of Arkansas by the contractor, including, but not limited to, labor

1 and materials, is twenty thousand dollars (\$20,000) or more. However, when a
2 person or entity acts as a contractor in the construction, erection,
3 alteration, or repair of his own or its own property, such action shall not
4 result in the person or entity being deemed a contractor under this chapter.

5 (b) However, the twenty thousand dollar (\$20,000) exception
6 shall not apply to any project of construction in which any of the
7 construction work necessary to complete the project, except any in-progress
8 change orders, is divided into separate contracts of amounts less than twenty
9 thousand dollars (\$20,000), a purpose being to circumvent the provisions of
10 this chapter.

11 (c) It is the intention of this definition to include all improvements
12 or structures."

13

14 SECTION 2. Arkansas Code 17-22-401 is amended to read as follows:

15 "§ 17-22-401. Definition.

16 (a)(1) Contractor shall include all original, prime, and general
17 contractors and all subcontractors. It is defined to be any person, firm,
18 joint venture, partnership, copartnership, association, corporation, or other
19 organization engaged in the business of the construction, alteration,
20 dismantling, demolition, or repairing of roads, bridges, viaducts, sewers,
21 water and gas mains, streets, disposal plants, water filters, tanks, towers,
22 airports, buildings, dams, levees, canals, railways and rail facilities, oil
23 and gas wells, water wells, pipelines, refineries, industrial or processing
24 plants, chemical plants, power plants, electric, telephone, or any other type
25 of energy or message transmission lines or equipment, or any other kind of
26 improvement or structure.

27 (2) The term contractor shall include any contractor who is
28 required to obtain a contractor's license under the state licensing law of
29 this state, § 17-22-101 et seq.

30 (b) However, when a person or entity acts as a contractor in the
31 construction, erection, alteration, or repair of his own or its own property,
32 or if the cost of the work to be done, including, but not limited to, labor
33 and materials, is less than twenty thousand dollars (\$20,000), the person or
34 entity shall not be deemed a contractor under this chapter."

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1 SECTION 3. Arkansas Code 17-22-404 is amended to read as follows:

2 "§ 17-22-404. Bond - Filing, terms.

3 (a) Before commencing work or undertaking to perform any services or
4 duties in the state, a contractor shall file with the Contractors Licensing
5 Board as the depository agency, a surety bond of a surety authorized to do
6 business in this state or a cash bond. The bond shall be a condition of
7 licensure and a contractor's license shall not be released until the bond has
8 been properly filed.

9 (b) The bond shall be:

10 (1) In a penal sum of ten thousand dollars (\$10,000.00);

11 (2) Payable to the State of Arkansas;

12 (3) Conditioned on the contractor complying with the tax laws of
13 the State of Arkansas, and when applicable, any city, county, school
14 district, state agency, or other political subdivision of the state, the
15 Arkansas Employment Security Act, § 11-10-101 et seq., the Workers'
16 Compensation Law, §11-9-101 et seq. and the provisions of this subchapter.

17 (c) Before commencing any residential construction in this state, the
18 contractor shall file with the Contractors Licensing Board as the depository
19 agency, a surety bond of a surety authorized to do business in this state or
20 a cash bond. The bond shall be a condition of licensure and a contractor's
21 license shall not be released until the bond has been properly filed. The
22 bond shall be in a penal sum of one hundred percent (100%) of the estimated
23 value of the residential construction, payable to the Contractors Licensing
24 Board to be used by the board in settling claims with the home owner against
25 the contractor."

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27 SECTION 4. All provisions of this act of a general and permanent
28 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
29 Code Revision Commission shall incorporate the same in the Code.

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31 SECTION 5. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

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2 SECTION 6. All laws and parts of laws in conflict with this act are
3 hereby repealed.