

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009  
4

*As Engrossed: H3/13/09*

# A Bill

HOUSE BILL 1520

5 By: Representatives T. Rogers, Moore  
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## For An Act To Be Entitled

9 AN ACT TO INCREASE THE AMOUNT OF A COMMERCIAL OR  
10 RESIDENTIAL CONSTRUCTION JOB REQUIRING A  
11 CONTRACTOR'S LICENSE; AND FOR OTHER PURPOSES.  
12

### Subtitle

14 TO INCREASE THE AMOUNT OF A COMMERCIAL  
15 OR RESIDENTIAL CONSTRUCTION JOB  
16 REQUIRING A CONTRACTOR'S LICENSE.  
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code § 17-25-101 is amended to read as follows:  
22 17-25-101. Definition.

23 (a)(1) As used in this chapter, "contractor" means any person, firm,  
24 partnership, copartnership, association, corporation, or other organization,  
25 or any combination thereof, that, for a fixed price, commission, fee, or  
26 wage, attempts to or submits a bid to construct or demolish, or contracts or  
27 undertakes to construct or demolish, or assumes charge, in a supervisory  
28 capacity or otherwise, or manages the construction, erection, alteration,  
29 demolition, or repair, or has or have constructed, erected, altered,  
30 demolished, or repaired, under his or her, their, or its direction, any  
31 building, apartment, condominium, highway, sewer, utility, grading, or any  
32 other improvement or structure on public or private property for lease, rent,  
33 resale, public access, or similar purpose, except single-family residences,  
34 when the cost of the work contracted to be done, or ~~done~~, the cost of the  
35 work actually done in the State of Arkansas by the contractor, including, but  
36 not limited to, labor and materials, is ~~twenty thousand dollars (\$20,000)~~



1 eighty thousand dollars (\$80,000) or more.

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

7 (b) However, the ~~twenty thousand dollar~~ eighty thousand dollars  
8 (\$80,000) exception shall not apply to any project of construction in which  
9 any of the construction work necessary to complete the project, except any  
10 in-progress change orders, is divided into separate contracts of amounts less  
11 than ~~twenty thousand dollars (\$20,000)~~ eighty thousand dollars (\$80,000), a  
12 purpose being to circumvent the provisions of this chapter.

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

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

20 (2) Materials purchased by a person or an entity acting as a  
21 contractor in the construction, erection, alteration, or repair of his or her  
22 own or its own property from a third party shall not be considered as a part  
23 of the subcontractor's project, provided that the subcontract is for wood  
24 framing, shingle roofing, painting, floor covering, or concrete labor.

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26 SECTION 2. Arkansas Code § 17-25-103(a)(1)(A), concerning penalties  
27 for the failure to obtain a contractor's license, is amended to read as  
28 follows:

29 (1)(A) For a fixed price, commission, fee, or wage attempts to  
30 or submits a bid or bids to construct or demolish or contracts to construct  
31 or demolish, or undertakes to construct or demolish, or assumes charge in a  
32 supervisory capacity or otherwise, or manages the construction, erection,  
33 alteration, demolition, or repair of, or has constructed, erected, altered,  
34 demolished, or repaired, under his or her or its direction, any building,  
35 apartment, condominium, highway, sewer, utility, grading, or any other  
36 improvement or structure, when the cost of the work contracted to be done or

1 ~~done, the cost of the work actually done~~ in the State of Arkansas by the  
2 contractor, including, but not limited to, labor and materials, is ~~twenty~~  
3 ~~thousand dollars (\$20,000)~~ eighty thousand dollars (\$80,000) or more, without  
4 first having procured a license with the proper classification to engage in  
5 the business of contracting in this state.

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7 SECTION 3. Arkansas Code § 17-25-301(b)(1), concerning proof of a  
8 contractor's license, is amended to read as follows:

9 (b)(1) Upon making application to the building inspector or other  
10 authority of any incorporated city or town in Arkansas charged with the duty  
11 of issuing building or other permits for the construction of any building,  
12 apartment, condominium, utility, highway, sewer, grading, or any other  
13 improvement or structure, when the cost of the work to be done by the  
14 contractor, but not limited to labor and materials, is ~~twenty thousand~~  
15 ~~dollars (\$20,000)~~ eighty thousand dollars (\$80,000) or more, any person,  
16 firm, or corporation, before being entitled to the issuance of such permits,  
17 shall furnish satisfactory proof to the inspector or authority that he or she  
18 is duly licensed under the terms of this chapter.

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20 SECTION 4. Arkansas Code § 17-25-401(b), concerning the definition of  
21 a "contractor" for bonding purposes, is amended to read as follows:

22 (b) However, when a person or entity acts as a contractor in the  
23 construction, erection, alteration, or repair of his or her own or its own  
24 property or of a single-family residence, or if the cost of the work to be  
25 done, including, but not limited to, labor and materials, is less than ~~twenty~~  
26 ~~thousand dollars (\$20,000)~~ eighty thousand dollars (\$80,000), the person or  
27 entity shall not be deemed a contractor under this chapter.

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29 SECTION 5. Arkansas Code § 17-25-502 is amended to read as follows:  
30 17-25-502. Definitions.

31 For purposes of this subchapter:

32 (1) "Committee" means the Residential Building Contractors  
33 Committee created by this subchapter;

34 (2)(A) "Residential building contractor" means any person, firm,  
35 partnership, copartnership, association, corporation, or other organization  
36 or any combination thereof, which for a fixed price, commission, fee, or wage

1 attempts to or submits a bid to construct or contract or undertakes to  
2 construct or assumes charge in a supervisory capacity or otherwise manages  
3 the construction of a single family residences residence.

4 (B) "Residential building contractor" does not include a  
5 subcontractor of a licensed residential building contractor; and

6 (3)(A) "Single family residence" means any project consisting of  
7 one (1) but not more than four (4) units of new construction for residential  
8 occupancy, when the cost of the project is ~~twenty thousand dollars (\$20,000)~~  
9 eighty thousand dollars (\$80,000) or more. ~~This definition does not apply to~~  
10 ~~subcontractors of licensed residential building contractors or to remodeling~~  
11 ~~operations.~~

12 (B) "Single family residence" does not include the  
13 remodeling of a single family residence.

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15 /s/ T. Rogers  
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