

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

SENATE BILL 631

5 By: Senator Hester
6 By: Representative Womack
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE LAW CONCERNING THE COST OF WORK
10 AND MATERIALS REQUIRING A GENERAL CONTRACTOR'S
11 LICENSE; AND FOR OTHER PURPOSES.
12
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Subtitle

15 TO AMEND THE LAW CONCERNING THE COST OF
16 WORK AND MATERIALS REQUIRING A GENERAL
17 CONTRACTOR'S LICENSE.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 17-25-101(a) and (b), concerning the
23 definition of "contractor", are amended to read as follows:

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



1 fifty thousand dollars ~~(\$20,000)~~ (\$50,000) 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~~ fifty-thousand-dollar exception
 8 shall not apply to any project of construction in which any of the
 9 construction work necessary to complete the project, except any in-progress
 10 change orders, is divided into separate contracts of amounts less than ~~twenty~~
 11 fifty thousand dollars ~~(\$20,000)~~ (\$50,000), a purpose being to circumvent the
 12 provisions of this chapter.

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

15 (d)(1) Materials purchased by a prime contractor from a third party
 16 shall 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.

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

24
 25 SECTION 2. Arkansas Code § 17-25-103(a)(1)(A), concerning penalties
 26 for contracting without a license, is amended to read as follows:

27 (1)(A) For a fixed price, commission, fee, or wage attempts to or
 28 submits a bid or bids to construct or demolish or contracts to construct or
 29 demolish, or undertakes to construct or demolish, or assumes charge in a
 30 supervisory capacity or otherwise, or manages the construction, erection,
 31 alteration, demolition, or repair of, or has constructed, erected, altered,
 32 demolished, or repaired, under his or her or its direction, any building,
 33 apartment, condominium, highway, sewer, utility, grading, or any other
 34 improvement or structure, 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
 36 and materials, is ~~twenty~~ fifty thousand dollars ~~(\$20,000)~~ (\$50,000) or more,

1 without first having procured a license with the proper classification to
 2 engage in the business of contracting in this state.

3
 4 SECTION 3. Arkansas Code § 17-25-301(b)(1), concerning proof of
 5 licensing, is amended to read as follows:

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

16
 17 SECTION 4. Arkansas Code § 17-25-401(b), concerning the definition of
 18 contractor, is amended to read as follows:

19 (b) However, when a person or entity acts as a contractor in the
 20 construction, erection, alteration, or repair of his or her own or its own
 21 property or of a single-family residence, or if the cost of the work to be
 22 done, including, but not limited to, labor and materials, is less than ~~twenty~~
 23 fifty thousand dollars ~~(\$20,000)~~ (\$50,000), the person or entity shall not be
 24 deemed a contractor under this chapter.

25
 26 SECTION 5. Arkansas Code § 17-25-506(a), concerning applications for
 27 licensure, is amended to read as follows:

28 (a) Applications for licensure shall be made on forms prescribed by the
 29 Residential Contractors Committee and shall have attached thereto:

30 (1)(A) Except as provided in subdivision (a)(1)(B) of this
 31 section, a compiled financial statement with each application for all persons
 32 and entities required by this subchapter to be licensed by the committee when
 33 the cost of the work done or to be done in the State of Arkansas by the
 34 contractor, including without limitation labor and materials, is ~~twenty~~ fifty
 35 thousand dollars ~~(\$20,000)~~ (\$50,000) or more.

36 (B) A person or entity required to be licensed under

1 this subchapter when the cost of the work done or to be done in the State of
2 Arkansas by the contractor, including without limitation labor and materials,
3 is less than ~~twenty~~ fifty thousand dollars ~~(\$20,000)~~ (\$50,000) shall not be
4 required to submit a financial statement; and

5 (2) Such other information as required by the committee.

6
7 SECTION 6. Arkansas Code § 17-25-514(c), concerning when workers'
8 compensation is required, is amended to read as follows:

9 (c) Unless otherwise required by law, a home improvement contractor
10 required to be licensed under this subchapter shall not be required to secure
11 the payment of workers' compensation under § 11-9-401 et seq. or provide
12 proof of coverage to the committee before issuing or receiving a license if
13 the cost of the work done or to be done in the State of Arkansas by the home
14 improvement contractor, including without limitation labor and materials, is
15 less than ~~twenty~~ fifty thousand dollars ~~(\$20,000)~~ (\$50,000).

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