

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

# A Bill

SENATE BILL 747

4  
5 By: Senator Maloch

## For An Act To Be Entitled

8 AN ACT CONCERNING CONTRACTOR LICENSING REQUIREMENTS;  
9 AND FOR OTHER PURPOSES.

### Subtitle

12 CONCERNING CONTRACTOR LICENSING  
13 REQUIREMENTS.

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

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19 SECTION 1. DO NOT CODIFY. Findings and purpose.

20 The General Assembly finds that:

21 (1) The current requirement for obtaining a contractor's license  
22 for construction projects that exceed twenty thousand dollars (\$20,000) was  
23 established in 1951;

24 (2) The purchasing equivalent of twenty thousand dollars  
25 (\$20,000) in 1951 is over two hundred fifty thousand dollars (\$250,000)  
26 today;

27 (3) The cost of labor and materials to perform construction  
28 projects has risen commensurate with the increase in a dollar's purchasing  
29 power; and

30 (4) Contractor licensing requirements should be updated to  
31 reflect that the cost of a construction project that required licensure in  
32 1951 when the current licensing requirement was established would be in  
33 excess of two hundred fifty thousand dollars (\$250,000) today.

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35 SECTION 2. Arkansas Code § 17-25-101 is amended to read as follows:

36 17-25-101. Definition.



1 (a)(1) As used in this chapter, "contractor" means ~~any~~ a person, firm,  
 2 partnership, copartnership, association, corporation, or other organization,  
 3 or ~~any~~ a combination thereof, that, for a fixed price, commission, fee, or  
 4 wage, attempts to or submits a bid to construct or demolish, or contracts or  
 5 undertakes to construct or demolish, or assumes charge, in a supervisory  
 6 capacity or otherwise, or manages the construction, erection, alteration,  
 7 demolition, or repair, or has or have constructed, erected, altered,  
 8 demolished, or repaired, under his or her, their, or its direction, any  
 9 building, apartment, condominium, highway, sewer, utility, grading, or any  
 10 other improvement or structure on public or private property for lease, rent,  
 11 resale, public access, or similar purpose, except a single-family residences  
 12 residence as defined in § 17-25-502, when the cost of the work to be done, ~~or~~  
 13 ~~done, the cost of the work to be done~~ in the State of Arkansas by the  
 14 contractor, including ~~but not limited to,~~ without limitation labor and  
 15 materials, is ~~twenty thousand dollars (\$20,000)~~ fifty thousand dollars  
 16 (\$50,000) or more.

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

22 (b) ~~However, the twenty thousand dollar exception shall not apply to~~  
 23 ~~any project of construction in which any of~~ If the construction work  
 24 necessary to complete ~~the~~ a project, except any in-progress change orders, is  
 25 divided into separate contracts of amounts ~~less than twenty thousand dollars~~  
 26 ~~(\$20,000)~~ that total fifty thousand dollars (\$50,000), a purpose being to  
 27 ~~circumvent the provisions of this chapter or more, the definition of~~  
 28 "contractor" in this section applies.

29 (c) It is the intention of ~~this~~ the definition of "contractor" in this  
 30 section to include all improvements, demolition, or structures, ~~excepting~~  
 31 ~~only other than~~ single-family residences as defined in § 17-25-502.

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

36 (2) Materials purchased by a person or an entity acting as a

1 contractor in the construction, erection, alteration, or repair of his or her  
2 own or its own property from a third party shall not be considered as a part  
3 of the subcontractor's project, provided that the subcontract is for wood  
4 framing, shingle roofing, painting, floor covering, or concrete labor.

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6 SECTION 3. Arkansas Code § 17-25-103(a)(1)(A), concerning penalties  
7 for the failure to obtain a contractor's license, is amended to read as  
8 follows:

9 (1)(A) For a fixed price, commission, fee, or wage attempts to  
10 or submits a bid or bids to construct or demolish or contracts to construct  
11 or demolish, or undertakes to construct or demolish, or assumes charge in a  
12 supervisory capacity or otherwise, or manages the construction, erection,  
13 alteration, demolition, or repair of, or has constructed, erected, altered,  
14 demolished, or repaired, under his or her or its direction, any building,  
15 apartment, condominium, highway, sewer, utility, grading, or any other  
16 improvement or structure, when the cost of the work to be done or actually  
17 done, in the State of Arkansas by the contractor, including ~~but not limited~~  
18 ~~to, without limitation~~ labor and materials, is ~~twenty thousand dollars~~  
19 ~~(\$20,000)~~ fifty thousand dollars (\$50,000) or more, without first having  
20 procured a license with the proper classification to engage in the business  
21 of contracting in this state.

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23 SECTION 4. Arkansas Code § 17-25-301(b)(1), concerning proof of a  
24 contractor's license, is amended to read as follows:

25 (b)(1) Upon making application to the building inspector or other  
26 authority of any incorporated city or town in Arkansas charged with the duty  
27 of issuing building or other permits for the construction of any building,  
28 apartment, condominium, utility, highway, sewer, grading, or any other  
29 improvement or structure, when the cost of the work to be done by the  
30 contractor, ~~but not limited to~~ including labor and materials, is ~~twenty~~  
31 ~~thousand dollars (\$20,000)~~ fifty thousand dollars (\$50,000) or more, ~~any a~~  
32 person, firm, or corporation, before being entitled to the issuance of such  
33 permits, shall furnish satisfactory proof to the inspector or authority that  
34 he or she is duly licensed under the terms of this chapter.

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36 SECTION 5. Arkansas Code § 17-25-401(b), concerning the definition of

1 a "contractor" for bonding purposes, is amended to read as follows:

2 (b) However, when a person or entity acts as a contractor in the  
3 construction, erection, alteration, or repair of his or her own or its own  
4 property or of a single-family residence as defined in § 17-25-502, or if the  
5 cost of the work to be done, including, ~~but not limited to,~~ without  
6 limitation labor and materials, is less than ~~twenty thousand dollars~~  
7 ~~(\$20,000)~~ fifty thousand dollars (\$50,000), the person or entity shall not be  
8 deemed a contractor under this chapter.

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