

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 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 1503

4
5 By: Representative Ormond
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7

For An Act To Be Entitled

9 AN ACT TO AMEND THE CONTRACTOR LICENSING LAW TO
10 PROVIDE THAT A CONTRACTOR IS NOT REQUIRED TO BE
11 LICENSED IF THE COST OF WORK TO BE DONE IS LESS
12 THAN A SPECIFIED AMOUNT; AND FOR OTHER PURPOSES.
13

Subtitle

15 AN ACT TO AMEND THE CONTRACTOR LICENSING
16 LAW TO PROVIDE THAT A CONTRACTOR IS NOT
17 REQUIRED TO BE LICENSED IF THE COST OF
18 WORK TO BE DONE IS LESS THAN A SPECIFIED
19 AMOUNT.
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
23

24 SECTION 1. Arkansas Code § 17-25-101(a) and (b), concerning
25 definitions applicable to contractor licensing law, are amended to read as
26 follows:

27 17-25-101. Definition.

28 (a) ~~(1)~~ As used in this chapter, ~~unless the context otherwise requires~~
29 ~~"contractor" means:~~

30 (1)(A) "Contractor" means:

31 (i) any A person, firm, partnership, copartnership,
32 association, corporation, or other organization, or any combination thereof,
33 who, who for a fixed price, commission, fee, or wage;
34

35 (a) attempts Attempts to or submits a bid to
36 construct a project ~~or contracts;~~

(b) Contracts or undertakes to construct a



1 ~~project, or assumes charge;~~

2 (c) Assumes charge of a project, in a
3 supervisory capacity or otherwise, ~~or manages;~~

4 (d) Manages the construction, erection,
5 alteration, or repair of a project; or

6 (e) has or have Has or had constructed,
7 erected, altered, or repaired a project, under ~~his or her, their, or its~~ the
8 person's direction, ~~any building, apartment, condominium, highway, sewer,~~
9 ~~utility, grading, or any other improvement or structure on public or private~~
10 ~~property for lease, rent, resale, public access, or similar purpose, except~~
11 ~~single family residences, when the;~~ and

12 (ii) The cost of the work to be done, or done, in
13 the State of Arkansas by the ~~contractor~~ person, including, but not limited
14 to, labor and materials, is ~~twenty thousand dollars (\$20,000) or more~~ equal
15 to or greater than the amount for which a license under this subchapter is
16 required.

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

22 (2) "Person" means an individual, firm, partnership,
23 copartnership, association, corporation, or other organization, or any
24 combination;

25 (3) "Project" means any building, apartment, condominium,
26 highway, sewer, utility, grading, or any other improvement or structure on
27 public or private property for lease, rent, resale, public access, or similar
28 purpose, except single-family residences; and

29 (4) "The amount for which a license under this chapter is
30 required" means:

31 (A) Twenty thousand dollars (\$20,000) if the
32 contractor is not licensed by the Board of Electrical Examiners of the State
33 of Arkansas, the HVACR Licensing Board, or the Department of Health as a
34 master or journeyman plumber; or

35 (B) For a contractor licensed by the Board of
36 Electrical Examiners of the State of Arkansas, the HVACR Licensing Board, or

1 the Department of Health as a master or journeyman plumber:

2 (a) For the fiscal year beginning July 1,
3 2006, sixty thousand dollars (\$60,000); and

4 (b) For each subsequent fiscal year, one
5 hundred three percent (103%) of the amount required for the previous fiscal
6 year.

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

12 Except for in-progress change orders, if for the purpose of circumventing the
13 provisions of this chapter any of the construction work of a project is
14 divided into separate contracts and the value of each contract is less than
15 the amount for which a license under this chapter is required, then the
16 person shall be required to obtain a license under this chapter.

17
18 SECTION 2. Arkansas Code § 17-25-103(a), concerning penalties for
19 violation of contractor licensing laws, is amended to read as follows:

20 (a) Any contractor shall be deemed guilty of a misdemeanor and shall
21 be liable to a fine of not less than one hundred dollars (\$100) nor more than
22 two hundred dollars (\$200) for each offense, with each day to constitute a
23 separate offense, who:

24 (1) For a fixed price, commission, fee, or wage, attempts to or
25 submits a bid or bids to construct or contracts to construct, or undertakes
26 to construct, or assumes charge in a supervisory capacity or otherwise, or
27 manages the construction, erection, alteration, or repair of, or has
28 constructed, erected, altered, or repaired, under ~~his or her or its~~ the
29 person's direction, any building, apartment, condominium, highway, sewer,
30 utility, grading, or any other improvement or structure, when the cost of the
31 work to be done or done, in the State of Arkansas by the contractor,
32 including, but not limited to, labor and materials, ~~is twenty thousand~~
33 ~~dollars (\$20,000) or more~~ equals or exceeds the contractor exceptions as
34 provided in § 17-25-101, without first having procured a license with the
35 proper classification to engage in the business of contracting in this state;

36 (2) Shall present or file the license certificate of another;

1 (3) Shall give false or forged evidence of any kind to the
2 Contractors Licensing Board or any member thereof in obtaining a certificate
3 of license;

4 (4) Shall impersonate another; or

5 (5) Shall use an expired or revoked certificate of license.
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7 SECTION 3. Arkansas Code § 17-25-301(b)(1), concerning proof of
8 licensure by the Contractors Licensing Board, 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) or more~~ equals or exceeds the contractor exceptions as
16 provided in § 17-25-101, any person, firm, or corporation, before being
17 entitled to the issuance of such permits, shall furnish satisfactory proof to
18 the inspector or authority that he or she is duly licensed under the terms of
19 this chapter.
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21 SECTION 4. Arkansas Code § 17-25-401(b), concerning definitions
22 applicable to contractor's bonds, is amended to read as follows:

23 (b) However, when a person or entity acts as a contractor in the
24 construction, erection, alteration, or repair of ~~his or her own or it's the~~
25 person's own property or of a single-family residence, or if the cost of the
26 work to be done, including, but not limited to, labor and materials, ~~is less~~
27 ~~than twenty thousand dollars (\$20,000)~~ equals or exceeds the contractor
28 exceptions as provided in § 17-25-101, the person or entity shall not be
29 deemed a contractor under this chapter.
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31 SECTION 5. Arkansas Code § 17-25-502(3), concerning definitions
32 applicable to the Residential Building Contractors Committee, is amended to
33 read as follows:

34 (3) "Single family residence" means any project consisting of
35 one (1) but not more than four (4) units of new construction for residential
36 occupancy, when the cost of the project ~~is twenty thousand dollars (\$20,000)~~

1 ~~or more~~ equals or exceeds the contractor exceptions as provided in § 17-25-
2 101. This definition does not apply to subcontractors of licensed residential
3 building contractors or to remodeling operations.

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