

HB418 ENROLLED



1 HB418
2 5SV5M33-2
3 By Representatives Kirkland, Underwood
4 RFD: Commerce and Small Business
5 First Read: 04-Apr-24



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1 Enrolled, An Act,

2 Relating to the State Licensing Board for General
3 Contractors; to amend Sections 34-8-1 and 34-8-7, Code of
4 Alabama 1975, as last amended by Act 2023-99, 2023 Regular
5 Session, to increase the threshold cost of undertaking where
6 an individual is deemed to engage in the business of general
7 contracting; and to exempt labor brokers and other temporary
8 labor providers from certain licensing requirements.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Sections 34-8-1 and 34-8-7, Code of Alabama
11 1975, as last amended by Act 2023-99, 2023 Regular Session,
12 are amended to read as follows:

13 "§34-8-1

14 (a) For the purpose of this chapter, a "general
15 contractor" is defined to be one who, for a fixed price,
16 commission, fee, or wage, undertakes to construct or
17 superintend or engage in the construction, alteration,
18 maintenance, repair, rehabilitation, remediation, reclamation,
19 or demolition of any building, highway, sewer, structure, site
20 work, grading, paving, or project or any improvement in the
21 State of Alabama where the cost of the undertaking is ~~fifty~~
22 ~~thousand dollars (\$50,000)~~ one hundred thousand dollars
23 (\$100,000) or more. A person who does any of the activities
24 described in this subsection shall be deemed ~~and held~~ to have
25 engaged in the business of general contracting in the State of
26 Alabama.

27 (b) For the purpose of this chapter, a "general
28 contractor" is defined to include one who, for a fixed price,



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29 commission, fee, or wage exceeding five thousand dollars
30 (\$5,000), undertakes to construct, superintend the
31 construction of, repair, or renovate, any swimming pool, ~~and~~
32 ~~anyone.~~ Anyone who ~~shall engage~~ engages in the construction,
33 superintending of the construction, repair, or renovation of
34 any swimming pool in the State of Alabama, where the cost of
35 the undertaking exceeds five thousand dollars (\$5,000), shall
36 be deemed ~~and held~~ to have engaged in the business of general
37 contracting in the State of Alabama and shall be subject to
38 this chapter.

39 (c) For the purpose of this chapter, a "subcontractor"
40 is defined to be one who constructs, superintends, or engages
41 in the construction, alteration, maintenance, repair,
42 rehabilitation, remediation, reclamation, or demolition of any
43 building, highway, sewer, structure, site work, grading,
44 paving, or project or any improvement in the State of Alabama
45 where the cost of the undertaking is ~~fifty thousand dollars~~
46 ~~(\$50,000)~~ one hundred thousand dollars (\$100,000) or more
47 under contract to a general contractor, as defined in
48 subsection (a), or another subcontractor."

49 "§34-8-7

50 (a) The following shall be exempted from this chapter:

51 (1) The practice of general contracting, as defined in
52 Section 34-8-1, by an authorized representative ~~or~~
53 ~~representatives~~ of the United States Government, State of
54 Alabama, incorporated town, city, or county in this state,
55 which is under the supervision of a licensed architect or
56 engineer, provided any work contracted out by the authorized



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57 representative shall comply with the definition in this
58 chapter for general contractor.

59 (2) The construction of any residence or private
60 dwelling.

61 (3) A person, firm, or corporation constructing a
62 building or other improvements on his, her, or its own
63 property, provided that any of the work contracted out
64 complies with the definition in this chapter for general
65 contractor. A municipal governing body or municipal regulatory
66 body may not enact any ordinance or law restricting or
67 altering this exemption. Any municipal ordinance or regulation
68 that conflicts with this exemption is repealed effective June
69 11, 2015.

70 (4) The installation, repair, maintenance, or removal
71 of facilities, equipment, or systems used in or substantially
72 related to the generation, transmission, or distribution of
73 electric power, natural gas, or telecommunications in an
74 emergency by a utility regulated by the Public Service
75 Commission, or any entity engaged in the generation,
76 transmission, or distribution of electric power, natural gas,
77 or telecommunications, or any of their respective general
78 contractors or subcontractors, provided the work is performed
79 under the supervision of a licensed architect or engineer. For
80 purposes of this subdivision, the term "emergency" is defined
81 as a situation whereby service to the consumer has been
82 interrupted or may be interrupted if work to remedy the
83 emergency is not performed and completed within 60 days, and
84 such other situations that are determined to be an emergency



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85 in the discretion of the board.

86 (5) The repair, maintenance, replacement,
87 reinstallation, or removal of facilities, equipment, or
88 systems used in or substantially related to the generation,
89 transmission, or distribution of electric power, natural gas,
90 or telecommunications on a routine, regular, or recurring
91 basis by a utility regulated by the Public Service Commission
92 or any entity engaged in the generation, transmission, or
93 distribution of electric power, natural gas, or
94 telecommunications or any of their respective general
95 contractors or subcontractors, provided the work is performed
96 under the supervision of a licensed architect or engineer.

97 (6) Routine or regular maintenance, repair,
98 replacement, reinstallation, or removal of equipment,
99 specialized technological processes, or equipment facility
100 systems as determined by the board with regard to scope,
101 frequency, and specialty of the work to be performed.

102 (7) Routine landscape maintenance work that includes
103 cutting grass; trimming, replacing, and removal of bushes,
104 shrubs, and similar items; the placement and removal of pine
105 straw, mulch, bark, and similar ground covers; and other
106 routine ground maintenance.

107 (8) The provision of temporary labor by a labor broker
108 or other temporary labor provider that provides workers to a
109 general contractor to perform work under the supervision and
110 control of that general contractor. For the purposes of
111 licensing, temporary workers are deemed to fall under the
112 license of the general contractor to whom they are provided.



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113 This exemption does not allow labor brokers or other temporary
114 labor providers to act as subcontractors or to assume a scope
115 of work for a project as a subcontractor.

116 (b) The ~~aforementioned~~ exemptions provided in
117 subsection (a) shall exclude a swimming pool contractor.

118 Provided, however, a person, firm, or corporation constructing
119 a swimming pool on his, her, or its own property shall be
120 exempted from this chapter.

121 (c) A subcontractor, as defined in Section 34-8-1(c),
122 is subject to and shall comply with this chapter as specified
123 for a general contractor except as follows:

124 (1) A subcontractor shall pay one-half of the fees ~~as~~
125 required in this chapter for a general contractor.

126 (2) No bid limits shall be established for a
127 subcontractor.

128 (3) A subcontractor shall submit with license
129 application and renewals a statement of financial condition as
130 prescribed by the board.

131 (4) A subcontractor shall furnish three references from
132 any combination of the following: Licensed general
133 contractors, registered professional engineers, or registered
134 architects, or qualified person, as declared by the board, for
135 whom they have worked. If a subcontractor has only been
136 employed by one company, the subcontractor shall provide the
137 following: Three or more jobs he or she has worked on, the
138 amounts of the contracts, the time period of the contracts,
139 the location of the contracts, and a statement of experience.

140 (5) A subcontractor is not required to be licensed at



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141 the time a project is bid, but must be licensed with the board
142 prior to beginning work on the project.

143 (6) A general contractor license and license number
144 issued by the board to subcontractors shall denote
145 subcontractor status.

146 (7) A subcontractor is not required to sit for any
147 examination before being licensed."

148 Section 2. This act shall become effective on October
149 1, 2024.

