



# Municipality of Anchorage



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## Policy AG.07

### Owner-Builders

AMC Title 23 and Alaska Statutes define the licensing requirements for contractors and trades people. The intent of this policy is to clarify exemptions from these requirements pertaining to the construction and alteration of buildings and structures. If there are any questions or confusion regarding a specific situation, please contact Development Services.

Property owners who choose to act as a contractor or perform work, or who allow a tenant to act as a contractor and/or perform work are required to read this policy and acknowledge understanding of the content by signing in the space provided (see attached). If an owner is unable to sign this document in the presence of Development Services staff, a notarized signature is required.

#### **Acting As a Contractor:**

All work regulated by AMC Title 23 (building codes) shall be administered by contractors licensed in accordance with State and Municipal law.

##### **Exceptions:**

1. A property owner may act as a contractor as follows:
  - 1.1. An owner may construct a maximum of one structure every two years. The start date of the two year time limitation shall be the date of the certificate of occupancy. A permit to construct an additional structure cannot be issued during the two year time limitation.
  - 1.2. An owner may administer alterations, including additions, to an existing structure.
  - 1.3. An owner of an individual dwelling unit located in a structure containing multiple dwelling units may administer alterations on their dwelling unit. Any work that affects common building elements, including but not limited to: dwelling unit separation walls, floors and ceilings; exterior walls and roof; and common plumbing, mechanical and electrical systems requires written permission from the condominium association.
2. A tenant may act as a contractor as follows:
  - 2.1. A tenant may administer alterations within their lease space. Written permission from the legal property owner, including a notarized signature, is required to obtain the permit.

#### **Performing Work:**

All work performed on a building or structure shall be done by individuals appropriately licensed in the relevant trade in accordance with State and Municipal regulations.

##### **Exceptions:**

1. A property owner may perform work as follows:
  - 1.1. The owner of a detached single-family home may perform any type of work regulated by AMC Title 23 on the structure as long as they reside in the home.
  - 1.2. The owner of a detached duplex (two attached dwelling units) may perform any type of work regulated by AMC Title 23 on the structure as long as they reside in one of the units.
  - 1.3. The owner of a townhouse (as defined in the IRC) may perform any type of work regulated by AMC Title 23 on their dwelling unit as long as they reside in the unit. Where townhouses are located on a common lot and are under the oversight of an association, written permission from the association is required for any work affecting common building elements or the exterior walls or roof.
  - 1.4. The owner of an individual dwelling unit located in a structure containing multiple dwelling units may perform maintenance, repair and alteration work (excluding electrical, mechanical and plumbing work that requires a permit in accordance with AMC Title 23.10, Anchorage Administrative Code) on their dwelling unit as long as they reside in the unit. Any work that affects common building elements, including but not limited to: dwelling unit separation walls, floors and ceilings; and exterior walls and roof requires written permission from the condominium association.
  - 1.5. The owner of a commercial building and their employees may perform maintenance, repair and alteration work (excluding electrical, mechanical and plumbing work that requires a permit in accordance with AMC Title 23.10, Anchorage Administrative Code) on said structure.
2. A tenant may perform work as follows:

21. A tenant and their employees may perform maintenance, repair and alteration work (excluding electrical, mechanical and plumbing work that requires a permit in accordance with AMC Title 23.10, Anchorage Administrative Code) within their lease space. Written permission from the legal property owner, including a notarized signature, is required to perform work.

#### **Authorized Agent Acting As a Consultant:**

A property owner may employ the services of an authorized agent who is not licensed as a contractor to act as a consultant. The authorized agent may:

1. Secure permits in the name of the owner;
2. Consult on multiple projects for multiple owners;
3. Advise the owner on the purchasing of equipment, materials and labor; and
4. Advise the owner on the coordination, scheduling and administration of work.

The authorized agent may not:

1. Coordinate, schedule or administer work;
2. Pay for labor, equipment or materials;
3. Engage in contractual relationships with subcontractors; or
4. Hire or supervise employees.

All contractual relationships involving labor, material and equipment incorporated into the project must be directly between the owner and subcontractor or supplier. An authorized agent who coordinates, schedules or administers work; or contracts for or pays for any labor, materials, supplies or equipment incorporated into the project is acting as a general contractor and is subject to all State and Municipal requirements applicable to general contractors.

#### **Clarifications:**

1. The owner-builder is legally responsible for ensuring code compliant construction, obtaining required permits, scheduling inspections and obtaining a certificate of occupancy.
2. The owner-builder must directly supervise the construction.
3. The owner-builder may not hire an unlicensed person to act as their contractor or to supervise people working on the project. It is the owner-builder's responsibility to ensure that people employed on the job site are licensed in accordance with State and Municipal law.
4. Any person working on the project who is not a licensed contractor must be employed by and work under the direct supervision of the owner-builder. The owner-builder must comply with all State and Federal laws as an employer in the State of Alaska. The owner-builder is responsible for making payroll deductions (FICA and Federal income tax withholding), providing worker's compensation insurance coverage and contributing to unemployment compensation for each employee. To determine your obligations as an employer, contact the following agencies: Internal Revenue Service; United States Small Business Administration; State of Alaska Department of Labor and Workforce Development, Employment Security Division and the Division of Worker Compensation.
5. When the owner of a single-family home or duplex performs plumbing, mechanical and/or electrical work, they must do all of the work themselves and shall not provide compensation in any form to others for assistance.
6. When acting as a contractor or performing work, the owner-builder must obtain all required permits in accordance with AMC 23.10, the Anchorage Administrative Code.

#### **Liability:**

1. An owner-builder can be held liable for any financial loss or personal injuries sustained by any subsequent owner(s) that result from any latent construction defects in the workmanship or materials.
2. An owner-builder can be held liable and is subject to serious financial risk for any injuries sustained by an unlicensed person and his or her employees while working at the job site. Home owners insurance may not cover this situation.
3. Failure to provide workers compensation coverage for an employee can result in personal liability to the employer, and subject the employer to civil and criminal penalties.



Ross Noffsinger, Acting Building Official

DATE: September 20, 2017

(Ref: 92-04, 97-03, 99-05, 06-08, 11-08)

**Owner/Authorized Agent Agreement**

(Please print)

I, \_\_\_\_\_ (legal property owner) hereby authorize \_\_\_\_\_, to act on my behalf as a construction/project manager in accordance with this policy.

**Owner/Tenant Agreement**

(Please print)

I, \_\_\_\_\_ (legal property owner) hereby authorize \_\_\_\_\_, to administer and perform work within the confines of their lease space in accordance with this policy.

**Authorized Agent Acknowledgement**

I, \_\_\_\_\_ (authorize agent) have carefully read this policy, understand its contents, and acknowledge I will comply with this policy ad all Federal, State and Municipal laws.

STATE OF \_\_\_\_\_  
\_\_\_\_\_ RECORDING DISTRICT

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_,  
by \_\_\_\_\_  
(print name of owner)

Notary Signature: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_

**Owner Acknowledgement**

I, \_\_\_\_\_ (legal property owner) have carefully read this policy, understand its contents, and acknowledge I am responsible for compliance with State and Municipal law.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

STATE OF \_\_\_\_\_  
\_\_\_\_\_ RECORDING DISTRICT

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_,  
by \_\_\_\_\_  
(print name of owner)

Notary Signature: \_\_\_\_\_

My Commission Expires: \_\_\_\_\_