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ALABAMA LICENSING BOARD FOR GENERAL CONTRACTORS

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NEWS RELEASE
FOR IMMEDIATE RELEASE

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Legislative Act 2024-277, effective October 1, 2024, will have the following changes to the Alabama Licensing Board for General Contractors section of the Code of Alabama. The changes include an increase to the minimum contract amount from fifty thousand dollars (\$50,000) to one hundred thousand dollars (\$100,000) and clarification on the exemption of labor brokers. The specific updated sections are below:

Section 34-8-1(a) & (c) Definitions: ...

- (a) For the purpose of this chapter, a "general contractor" is defined to be one who, for a fixed price, commission, fee, or wage undertakes to construct or superintend or engage in the construction, alteration, maintenance, repair, rehabilitation, remediation, reclamation, or demolition of any building, highway, sewer, structure, site work, grading, paving or project or any improvement in the State of Alabama where the cost of the undertaking is one hundred thousand dollars (\$100,000) or more. A Person who does any of the activities described in this subsection shall be deemed to have engaged in the business of general contracting in the State of Alabama.
- (c) For the purpose of this chapter a "subcontractor" is defined to be one who constructs, superintends, or engages in the construction, alteration, maintenance, repair, rehabilitation, remediation, reclamation, or demolition of any building, highway, sewer, structure, site work, grading, paving, or project or any improvement in the State of Alabama where the cost of the undertaking is one hundred thousand dollars (\$100,000) or more under contract to general contractor as defined in subsection (a) or another subcontractor.

Section 34-8-7(a)(8) Exemptions from Chapter:

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

(8) The provision of temporary labor by a labor broker or other temporary labor provider that provides workers to a general contractor to perform work under the supervision and control of that general contractor. For the purposes of licensing, temporary workers are deemed to fall under the license of the general contractor to whom they are provided. This exemption does not allow labor brokers or other temporary Labor providers to act as subcontractors or to assume a scope of work for a project as a subcontractor.

Please do not hesitate to contact the Board's office if you have any questions.

Tiffany Loveless
Executive Director