230-X-1-.26 <u>Fifty-One Percent Regulation</u>.

- 1. Any project in the State of Alabama for construction, erection, modification, alteration or addition of or to any building, highway, sewer, grading, or any improvement or structure where the cost of the undertaking is \$50,000 or more (\$5,000 or more in the case of swimming pools) must be constructed by a contractor licensed by the Board. A general contractor may undertake to construct or superintend the construction of any project if 51% or more of the work as measured by the cost (labor, materials, tools, construction equipment cost and installed equipment) falls within the major classification, subclassification or specific sub-classification in which the contractor is licensed. On any project where no major classification, sub-classification or specific sub-classification constitutes 51% or more of the work as measured by the cost (labor, materials, tools, construction equipment cost and installed equipment) the contractor may undertake to construct or superintend the construction of such project if the contractor is licensed in the major classification, sub-classification or specific sub-classification which constitutes the greatest part of the work on the project as measured by the cost (labor, materials, tools, construction equipment cost and installed equipment).
- 2. Notwithstanding the foregoing subsection, contractors holding licenses with Building Construction (BC) appearing thereon may undertake to construct or superintend the construction of any project even if 51% or more of the work as measured by the cost (labor, materials, tools, construction equipment cost and installed equipment) falls outside the major classification of Building Construction (BC) so long as such work is required to make the building usable for its intended purpose.

Author: Ralph E. Compagno

Statutory Authority: Code of Ala. 1975, §34-8-2 (i.e. the construction of a building); West

Alabama Remodeling, Inc. v. Ireland, 412 So. 2d 766 (Ala. 1982). **History**: Filed July 2, 1992. **Amended**: Filed March 5, 1993. **Amended**: Filed September 15, 1994; effective October 20, 1994. **Amended**: Filed December 16, 1997; effective January 20, 1998.

Ed. Note: Previous Rule 230-X-1-.26, Fifty-One

Percent of the Job; filed September 16, 1982. Repealed: Filed July 2, 1992;

October 19, 1992. Amended: Filed March 5, 1993.

Amended: Filed August 1, 2006; effective September 5, 2006.