



ANCHORAGE SAND and GRAVEL CO., INC.

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Senator Peter Micciche
State Capitol Room 125
Juneau AK, 99801

Re: SB 193 Contractors License Bonds

Dear Senator Micciche:

My name is Dale Morman and I have been with Anchorage Sand & Gravel in the construction materials supply business in Alaska for 24 years. I support SB 193 "An Act relating to bonds required for contractors". The bill would benefit our industry in several ways.

- Increasing these bond limits will increase our credibility and protection.
- The current bond levels were established over thirty years ago, and an adjustment is long overdue. If the CPI were applied to the 1982 rate, the present bond limits would be just over double (2.18 times) what the 1982 amounts were. This makes the new license bond amounts a reasonable increase.
- The purpose of the bond is not only to ensure the contractor has financial resources to pay tax and other obligations, it is most importantly established in order to provide the public an avenue to seek recourse in the event there is negligent or improper work or breach of contract.
- The license bond provides financial protection for clients, other contractors, material suppliers, equipment rental companies.
- It gives businesses some confidence in extending credit to some contractors.
- It also gives those same businesses some recourse should bills go unpaid.
- This would require contractors doing small jobs under the "handyman" exemption to also get a bond.
- The statute is an important component of Alaska's consumer protection laws.
- The amounts established in the bill are supported by the construction industry for the purposes of providing greater protection to the public and maintaining the integrity of the thousands of reputable contractors operating in Alaska

Thank you for sponsoring this piece of legislation that I believe is important for consumer protection and to our industry.

Sincerely,

Dale G. Morman
President