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## **HB173\Ver.A** **Sponsor Statement**

*“An Act relating to public construction contracts; and providing for an effective date.”*

House Bill 173 seeks to modernize an outdated statute to better address the specific challenges of construction in Alaska. Specifically, it updates the Little Davis Bacon Act (LDBA) public construction contract thresholds in our state. The current threshold of \$25,000 is deemed inefficient due to various Alaska-specific factors and inflationary pressures over the past 11 years. Many states have either eliminated thresholds altogether or raised them to \$1 million.

This bill proposes raising the threshold to \$150,000 to better reflect inflation and current industry costs. This adjustment would streamline processes, reduce administrative burdens, and enhance efficiency in public construction projects statewide. Moreover, it would encourage smaller contractors to bid on contracts and help address the labor shortage in the construction industry in Alaska.

Furthermore, the increased threshold would address unique challenges faced in Alaska, such as high transportation costs in rural areas. Currently, even minor projects, like repairing 20 potholes, may necessitate compliance with LDBA regulations due to exceeding the threshold.

Support for House Bill 173 is crucial for adapting regulations, ensuring equitable participation for local contractors, and fostering economic development in the face of inflation and workforce shortages. Let's modernize our approach to public construction contracts and propel Alaska forward.

Thank you for your attention to this important matter.

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