

1 IN THE HOUSE

BY MR. GIERSDORF

2 HOUSE BILL NO. 141

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act requiring contractors to furnish to
7 home owners performance bonds; prohibiting
8 obtaining completion certificates before
9 actual completion of work; prescribing
10 penalties; and providing for an effective
11 date."

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

13 Section 1. PERFORMANCE BOND FOR HOME CONSTRUCTION. No per-
14 son, firm, corporation, association or partnership, or agent or
15 employee thereof, shall enter into any contract to perform the
16 erection, construction, completion, addition, alteration, improve-
17 ment or repair of any building or structure occupied or to be
18 occupied as a dwelling, unless such person, firm, corporation,
19 association or partnership, or agent or employee thereof, shall
20 have furnished to the owner, prospective owner or other contract-
21 ing party a surety bond conditioned and in the amounts as follows:

22 (1) in a sum equal to the contract price for such work,
23 conditioned for the faithful performance of the terms of such
24 contract and conditioned that the contractor shall make prompt
25 payment to all persons, firms or corporations supplying labor or
26 materials used in the performance of such work; and

27 (2) in a sum equal to twenty-five per cent of the con-
28 tract price for such work, indemnifying and conditioned to save
29 harmless such owner or other contracting party, his heirs,

1 executors, administrators and assigns, for any damages sustained
2 by him for or by reason of faulty workmanship or by reason of
3 any improper, defective or inferior materials used in said work
4 which may appear within two years from the date of completion of
5 such work. Said bond shall be issued by a person or corporation
6 authorized to issue surety bonds in this state. The provisions
7 of this section shall not apply to any contract where the consid-
8 eration is less than one thousand dollars, and shall not be con-
9 strued to give to a labor or materials supplier a cause of action
10 on the bond.

11 Sec. 2. OBTENTION OF COMPLETION CERTIFICATE PRIOR TO COM-
12 PLETION PROHIBITED. No person, firm, corporation, association or
13 partnership, or agent or employee thereof, who, having entered
14 into any contract, such as is described in Sec. 1 of this Act,
15 for the erection, construction, completion, addition, alteration,
16 improvement or repair of any building or structure occupied or to
17 be occupied as a dwelling, shall obtain the signature of the
18 owner, prospective owner or other contracting party upon a com-
19 pletion certificate for such work before the actual completion
20 thereof, nor shall use such completion certificate prior to com-
21 pletion of such work for the purpose of obtaining money, credit,
22 or property from another.

23 Sec. 3. PENALTIES. Whoever violates any provision of this
24 Act shall, upon conviction, be punished by a fine of not more
25 than five hundred dollars or by imprisonment for not more than
26 six months, or both.

27 Sec. 4. EFFECTIVE DATE. This Act shall take effect imme-
28 diately upon its passage and approval or upon its becoming law
29 without such approval.