

HCS  
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Original sponsor: Rules Committee  
by request of the Legislative Council

Offered: 4/3/69  
Referred: Rules

1 IN THE SENATE

BY THE LABOR AND  
MANAGEMENT COMMITTEE

2 CS FOR SENATE BILL NO. 36

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to construction contractors."

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

8 \* Section 1. AS 08.18.071 is amended to read:

9 Sec. 08.18.071. BOND REQUIRED. (a) Each applicant shall, at  
10 the time of applying for a certificate of registration, file with the  
11 commissioner a surety bond, valid for one year, running to the State of  
12 Alaska conditioned upon the applicant's promise to pay

13 (1) all taxes and contributions due the state and political  
14 subdivisions,

15 (2) all persons furnishing labor or material or renting or  
16 supplying equipment to the applicant [, AND

17 (3) ALL AMOUNTS THAT MAY BE ADJUDGED AGAINST HIM BY REASON  
18 OF NEGLIGENT OR IMPROPER WORK OR BREACH OF CONTRACT IN THE CONDUCT OF  
19 THE CONTRACTING BUSINESS OR BY REASON OF DAMAGE TO PUBLIC FACILITIES  
20 OCCURRING IN THE COURSE OF A CONSTRUCTION PROJECT].

21 (b) If the applicant is a general contractor the amount of the  
22 bond shall be \$5,000; if he is a specialty contractor the amount of  
23 the bond shall be \$2,000. In lieu of the surety bond the applicant  
24 may file with the commissioner a cash deposit or other negotiable  
25 security acceptable to the commissioner of commerce, in the amount  
26 specified for bonds. The commissioner shall put a cash deposit filed  
27 in lieu of a surety bond into a time deposit. Interest accruing to  
28 the deposit shall be given to the contractor when the cash deposit is  
29 returned to him.

1           (c) The bond required by (a) and (b) of this section shall be  
2 renewed annually. Failure to renew revokes the license of a contractor.

3 \* Sec. 2. AS 08.18 is amended by adding a new section to read:

4           Sec. 08.18.083. RELINQUISHMENT OF SECURITIES. If no claim has  
5 been filed with the commissioner against the contractor within 120 days  
6 after the contractor fails to renew his certificate of registration or  
7 requests the commissioner in writing to terminate his certificate of  
8 registration, then the surety bond or other security shall be  
9 relinquished to the contractor. No suit may be brought against a con-  
10 tractor after the expiration of one year from the anniversary of the  
11 bond.

12 \* Sec. 3. AS 08.18.101 is amended to read:

13           Sec. 08.18.101. INSURANCE REQUIRED. Each applicant, at the time  
14 of applying for registration, shall file with the commissioner satis-  
15 factory evidence that the applicant has in effect general [PUBLIC]  
16 liability [AND PROPERTY DAMAGE] insurance covering his contracting  
17 operations in the sum of not less than \$20,000 for damage to property,  
18 \$50,000 for injury, including death, to any one person and \$100,000 for  
19 injury, including death, to more than one person. This insurance shall  
20 be in a form satisfactory to the director of the division of insurance.

21 \* Sec. 4. AS 08.18.081(a)(4) and (5) are repealed.  
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