

Original sponsor: Rules Committee by request of
the Legislative Council

Offered: 5/13/70
Referred: Commerce

1 IN THE SENATE

BY THE LABOR AND MANAGEMENT COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 36

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND 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 of
18 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 relin-
9 quished to the contractor. No claim may be brought against a contrac-
10 tor's bond after the expiration of one year from completion of the job
11 or project involved.

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)(5) is repealed.
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