

Introduced: 5/7/75
Referred: Commerce and
State Affairs

1 IN THE HOUSE

BY GARDINER

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HOUSE BILL NO. 485

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to bonds required in public construc-
7 tion."

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

9 * Section 1. AS 36.25.010(a) is amended to read:

10 (a) Before a contract exceeding \$2,000 for the construction,
11 alteration, or repair of a public building or public work of the state
12 or a political subdivision of the state is awarded to a general or
13 specialty contractor, the contractor shall furnish to the state or a
14 political subdivision of the state the following bonds, which become
15 binding upon the award of the contract to that contractor:

16 (1) a performance bond, which may be a cash bond or a surety
17 bond, with a corporate surety qualified to do business in the state, or
18 at least two individual sureties who shall each justify in a sum equal
19 to the amount of the bond; the amount of the performance bond shall be
20 equivalent to the amount of the payment bond;

21 (2) a payment bond, which may be a cash bond or a surety
22 bond, with a corporate surety qualified to do business in the state, or
23 at least two individual sureties who shall each justify in a sum equal
24 to the amount of the bond for the protection of all persons who supply
25 labor and material in the prosecution of the work provided for in the
26 contract; when the total amount payable by the terms of the contract is
27 not more than \$1,000,000, the payment bond shall be in a sum of one-half
28 the total amount payable by the terms of the contract; when the total
29 amount payable by the terms of the contract is more than \$1,000,000 and

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1 not more than \$5,000,000, the payment bond shall be in a sum of 40 per
2 cent of the total amount payable by the terms of the contract; when the
3 total amount payable by the terms of the contract is more than \$5,000,000
4 the payment bond shall be in the sum of \$2,500,000.
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