

Original sponsor: Gardiner

Offered: 3/26/76
Referred: Rules

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

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CS FOR HOUSE BILL NO. 485

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to bonds required in public construction."
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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

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* Section 1. AS 36.25.010(a)(1) and (2) are amended to read:

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(1) a performance bond with a corporate surety qualified to do business in the state, or at least two individual sureties who shall each justify in a sum equal to the amount of the bond; the amount of the performance bond shall be equivalent to the amount of the payment bond; except that a municipality may, at its option, accept a cash bond for contracts where the contractor demonstrates to the satisfaction of the municipality that a surety bond is not reasonably available for that contract.

(2) a payment bond with a corporate surety qualified to do business in the state, or at least two individual sureties who shall each justify in a sum equal to the amount of the bond for the protection of all persons who supply labor and material in the prosecution of the work provided for in the contract; when the total amount payable by the terms of the contract is not more than \$1,000,000, the payment bond shall be in a sum of one-half the total amount payable by the terms of the contract; when the total amount payable by the terms of the contract is more than \$1,000,000 and not more than \$5,000,000, the payment bond shall be in a sum of 40 per cent of the total amount payable by the terms of the contract; when the total amount payable by the terms of the contract is more than \$5,000,000, the payment bond shall be in the sum

1 of \$2,500,000. A municipality may, at its option, accept a cash bond
2 for contracts where the contractor demonstrates to the satisfaction of
3 the municipality that a surety bond is not reasonably available for that
4 contract.

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