

Introduced: 1/14/76
Referred: State Affairs

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HCS (9) SENATE BILL NO. 498 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to bonds of contractors for
7 public buildings or works."

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

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

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

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1 payment bond shall be in a sum of 40 per cent of the total amount
2 payable by the terms of the contract; when the total amount payable by
3 the terms of the contract is more than \$5,000,000, the payment bond
4 shall be in the sum of \$2,500,000.
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