

Original sponsor: Rules Committee by
request of the Governor

Offered: 1/23/76
Referred: Rules

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 CS FOR SENATE BILL NO. 498

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 public
7 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 \$40,000 [\$2,000] for the construc-
11 tion, alteration, or repair of a public building or public work of the
12 state 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 with a corporate surety qualified to
17 do business in the state, or at least two individual sureties who shall
18 each justify in a sum equal to the amount of the bond; the amount of the
19 performance bond shall be equivalent to the amount of the payment bond;

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

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

4 * Sec. 2. AS 36.25.010(c) is amended to read:

5 (c) When no payment bond has been furnished, the contracting
6 department [THIS SECTION DOES NOT APPLY TO THE CONSTRUCTION OF PIONEER
7 ACCESS ROADS NOR TO EMERGENCY HIGHWAY REPAIR CONTRACTS COSTING LESS THAN
8 \$20,000, EXCEPT THAT THE COMMISSIONER OF HIGHWAYS MAY REQUIRE A PAYMENT
9 OR PERFORMANCE BOND. THE COMMISSIONER OF HIGHWAYS] shall not approve
10 final payments to the contractor [, HOWEVER,] until the contractor files
11 a written certification that all persons who supplied labor or material
12 in the prosecution of the work provided for in the contract [WAGES,
13 MATERIALS, AND SUBCONTRACTORS] have been paid.
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