

Original sponsor: Brown by request

Offered: 2/3/82
Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to payment procedures on certain
7 public contracts."

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

9 * Section 1. AS 36 is amended by adding a new chapter to read:

10 CHAPTER 90. MISCELLANEOUS PROVISIONS.

11 Sec. 36.90.001. PUBLIC CONSTRUCTION CONTRACT PAYMENTS. (a) At
12 the request of a contractor the state shall pay the contractor 20 percent
13 of the amount of the contract on or before the date the state gives the
14 contractor notice to proceed with the public construction or public work
15 covered by the contract.

16 (b) The state shall initiate payment to the contractor for the
17 amount due under the public construction or public work contract within
18 15 days after the contractor submits to the state a bill for materials
19 or services and a sworn statement that all employees employed on the
20 project by the contractor and all subcontractors have been paid not less
21 than the established prevailing rate of pay as determined and published
22 by the Department of Labor.

23 (c) If the state fails to make a payment due under this section,
24 it shall pay interest to the contractor under AS 45.45.010(a) on the
25 amount due. If a failure to make a payment due under this section
26 continues for 60 days or more, the state shall pay the contractor a
27 penalty of 10 percent of the amount due plus interest.

28 (d) The state or a political subdivision of the state is liable to
29 a contractor registered under AS 08.18 for interest at the rate provided

1 in AS 45.45.010(a) on retainage on a contract for public works or public
2 construction. Interest on retainage accrues from the date of approval
3 of a pay estimate until the date of payment to the contractor or applica-
4 tion toward the obligation of the contractor under the contract. A
5 contract provision purporting to waive the interest provisions of this
6 subsection is void as contrary to public policy.

7 * Sec. 2. AS 36.95.010 is amended to read:

8 Sec. 36.95.010. DEFINITIONS. In this title [AS 36.05 - 36.25]
9 unless the context requires otherwise

10 (1) "contractor" means the contractor including subcontractors
11 performing work necessary to facilitate public construction;

12 (2) "laborer, mechanic, or field surveyor" means a person who
13 engages in work which is basically physical or unskilled in nature; or
14 who engages in work, requiring the use of tools or machines, which
15 basically consists of the shaping and working of materials into some
16 type of structure, machine or other object; or who engages in outdoor
17 tasks related to the operation of finding and delineating contour,
18 dimensions, position, topography, as of any part of the earth's surface,
19 by preparation of measured plan or description of any area or other
20 portion of country or of road or line through any area or other portion
21 of country;

22 (3) "public construction" or "public works" means the onsite
23 field surveying, erection, rehabilitation, alteration, extension or
24 repair, including painting or redecorating of buildings, highways or
25 other improvements to real property under contract for the state, a
26 political subdivision of the state, or a regional school board with
27 respect to an educational facility under AS 14.08.161;

28 (4) "qualified" means one who, except for apprentices, is a
29 journeyman mechanic in his particular trade;

1 (5) "resident" means a person who maintains his domicile in
2 the state; domicile is the true and permanent home of a person from
3 which he has no present intention of removing and to which he intends to
4 return whenever he is away;

5 (6) "state or a political subdivision of the state" means any
6 state department, state agency, state university, borough, city, village,
7 school district or other state subdivision;

8 (7) "wages" includes fringe benefits;

9 (8) "retainage" means money withheld from a contractor until
10 completion of a contract or other contingency which the contractor has
11 earned as evidenced by approval of the applicable pay estimate.
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