

Original sponsor: Brown by request

Offered: 3/12/82

Referred: Rules

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146 (Finance)

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 public
7 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) The
12 state shall initiate payment to the contractor for the amount due under
13 a public construction or public work contract within 15 days after the
14 contractor submits to the state a bill for materials or services and a
15 sworn statement that all employees employed on the project by the con-
16 tractor and all subcontractors have been paid not less than the estab-
17 lished prevailing rate of pay as determined and published by the Depart-
18 ment of Labor.

19 (b) If the state fails to make a payment due under this section,
20 it shall pay interest to the contractor under AS 45.45.010(a) on the
21 amount due. If a failure to make a payment due under this section
22 continues for 60 days or more, the state shall pay the contractor a
23 penalty of 10 percent of the amount due plus interest.

24 (c) The state or a political subdivision of the state is liable to
25 a contractor registered under AS 08.18 for interest at the rate provided
26 in AS 45.45.010(a) on retainage on a contract for public works or public
27 construction. Interest on retainage accrues from the date of approval
28 of a pay estimate until the date of payment to the contractor or applica-
29 tion toward the obligation of the contractor under the contract. A

1 contract provision purporting to waive the interest provisions of this
2 subsection is void as contrary to public policy.

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

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

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

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

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

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

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

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

(7) "wages" includes fringe benefits;

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