

Original sponsor: Brown by request

Offered: 5/3/82
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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

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; and providing for an effective
8 date."

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

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

11 CHAPTER 90. MISCELLANEOUS PROVISIONS.

12 Sec. 36.90.001. PUBLIC CONSTRUCTION CONTRACT PAYMENTS. (a) The
13 state shall initiate procedures to pay the contractor under a public
14 construction or public work contract within 15 days after the contractor
15 submits to the state a bill for materials provided or services performed
16 and a sworn statement that all employees employed on the project by the
17 contractor and all subcontractors have been paid not less than the
18 established prevailing rate of pay as determined and published by the
19 Department of Labor.

20 (b) If the state fails to make a payment due the contractor under
21 this section within 30 days after receiving a contractor's billing, the
22 state shall pay interest to the contractor under AS 45.45.010(a) on the
23 amount due.

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. A con-
29 tract provision purporting to waive the interest provisions of this

1 subsection is void as contrary to public policy.

2 (d) A political subdivision that has a population of 500 or less
3 is exempt from the payment of interest provided in (c) of this section.

4 (e) A political subdivision that receives a state grant for a
5 public construction or public works project may use money from the state
6 grant to pay the interest on retainage under contracts for the project
7 as required by (c) of this section.

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

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

11 (1) "contractor" means the contractor including subcontrac-
12 tors performing work necessary to facilitate public construction;

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

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

29 (4) "qualified" means one who, except for apprentices, is a

1 journeyman mechanic in his particular trade;

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

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

9 (7) "wages" includes fringe benefits;

10 (8) "retainage" means money withheld from a contractor until
11 completion of a contract or satisfaction of other contingency as evi-
12 denced by approval of the applicable pay estimate.

13 * Sec. 3. The provisions of this Act apply to contracts entered into
14 after the effective date of this Act.

15 * Sec. 4. This Act takes effect July 1, 1982.
16
17
18
19
20
21
22
23
24
25
26
27
28
29