

Introduced: 4/21/81  
Referred: Labor & Commerce

1 IN THE HOUSE

BY THE LABOR AND COMMERCE  
COMMITTEE BY REQUEST

2 HOUSE BILL NO. 518

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to interest on public construction  
7 contract payments."

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. INTEREST ON PUBLIC CONSTRUCTION CONTRACTS. (a)

12 A person who contracts with a contractor registered under AS 08.18 for  
13 public works or public construction is liable to the contractor for  
14 interest at the rate provided in AS 45.45.010(a) on retainage or a  
15 payment which is late.

16 (b) Interest accrues from the date of approval of a pay estimate  
17 until the date of payment to the contractor or application toward the  
18 obligation of the contractor under the contract.

19 (c) A contract provision purporting to waive the interest pro-  
20 visions of this section is void as contrary to public policy.

21 \* Sec. 2. AS 36.95.010 is amended to read:

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

24 (1) "contractor" means the contractor including subcon-  
25 tractors performing work necessary to facilitate public construction;

26 (2) "laborer, mechanic, or field surveyor" means a person  
27 who engages in work which is basically physical or unskilled in nature;  
28 or who engages in work, requiring the use of tools or machines, which  
29 basically consists of the shaping and working of materials into some

1 type of structure, machine or other object; or who engages in outdoor  
2 tasks related to the operation of finding and delineating contour,  
3 dimensions, position, topography, as of any part of the earth's surface,  
4 by preparation of measured plan or description of any area or other  
5 portion of country or of road or line through any area or other portion  
6 of country;

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

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

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

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

22 (7) "wages" includes fringe benefits;

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