

Original sponsor: Labor and Commerce Committee  
by request

Offered: 5/5/81  
Referred: Rules

1 IN THE HOUSE

BY THE LABOR AND COMMERCE  
COMMITTEE

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CS FOR HOUSE BILL NO. 518 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

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

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

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

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CHAPTER 90. MISCELLANEOUS PROVISIONS.

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Sec. 36.90.001. INTEREST ON PUBLIC CONSTRUCTION CONTRACTS. (a)

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

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

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

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

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

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

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(2) "laborer, mechanic, or field surveyor" means a person  
who engages in work which is basically physical or unskilled in nature;  
or who engages in work, requiring the use of tools or machines, which  
basically consists of the shaping and working of materials into some  
type of structure, machine or other object; or who engages in outdoor

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

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

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

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

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

21 (7) "wages" includes fringe benefits;

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