

Original sponsor: Grussendorf

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE  
2 CS FOR HOUSE BILL NO. 310 (Judiciary)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to public construction and public  
7 works contracts."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 36.25.020(b) is amended to read:  
10 (b) However, a person having direct contractual relationships  
11 with a subcontractor but no contractual relationship express or im-  
12 plied with the contractor furnishing the payment bond has a right of  
13 action on the payment bond upon giving written notice to the contrac-  
14 tor within 90 days from the last date on which the person performed  
15 labor or furnished material for which the claim is made. The notice  
16 must state with substantial accuracy the amount claimed and the name  
17 of the person to whom the material was furnished or for whom the labor  
18 was performed. The notice shall be served by mailing it by registered  
19 mail, postage prepaid, in an envelope addressed to the contractor at a  
20 [ANY] place where the contractor maintains an office or conducts  
21 business, or the contractor's residence, or in a [ANY] manner in which  
22 a peace officer is authorized to serve summons. In this subsection,  
23 "subcontractor" includes a subcontractor of another subcontractor,  
24 whether or not the other subcontractor has a direct contractual rela-  
25 tionship with the contractor.  
26 \* Sec. 2. AS 36.25 is amended by adding a new section to read:  
27 Sec. 36.25.023. NOTICE BY CERTAIN PERSONS. (a) A person who  
28 contracts other than as an employee to furnish labor or material in  
29 the prosecution of a project for which the prime contractor is

1 required to furnish a payment bond under AS 36.25.010 and who does not  
2 have a direct contractual relationship with the prime contractor shall  
3 give the prime contractor written notice of the contract within 10  
4 days of entering into the contract.

5 (b) If a person fails to provide the notice required by (a) of  
6 this section and if, in a court action on the payment bond of the  
7 prime contractor, the person is subsequently determined to be entitled  
8 to a judgment for payment of all or part of the labor or material  
9 furnished by the person, the court shall reduce the amount to be  
10 awarded to the person by 10 percent. In this subsection, "amount"  
11 does not include court costs and attorney fees.

12 (c) In this section, "prime contractor" means the person who has  
13 contracted with the state or political subdivision of the state to  
14 perform the project.

15 \* Sec. 3. This Act applies to contracts that are entered into on or  
16 after the effective date of this Act.