

Original sponsor: Grussendorf

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 CS FOR HOUSE BILL NO. 310 (Finance)
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 the rights and responsibilities
7 of persons furnishing labor or material in the prose-
8 cution of public works and public construction con-
9 tracts."

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

11 * Section 1. AS 36.25.020(b) is amended to read:

12 (b) However, a person having direct contractual relationships
13 with a subcontractor but no contractual relationship express or im-
14 plied with the contractor furnishing the payment bond has a right of
15 action on the payment bond upon giving written notice to the contrac-
16 tor within 90 days from the last date on which the person performed
17 labor or furnished material for which the claim is made. The notice
18 must state with substantial accuracy the amount claimed and the name
19 of the person to whom the material was furnished or for whom the labor
20 was performed. The notice shall be served by mailing it by registered
21 mail, postage prepaid, in an envelope addressed to the contractor at a
22 [ANY] place where the contractor maintains an office or conducts
23 business, or the contractor's residence, or in a [ANY] manner in which
24 a peace officer is authorized to serve summons. In this subsection,
25 "subcontractor" includes a subcontractor of another subcontractor,
26 whether or not the other subcontractor has a direct contractual rela-
27 tionship with the contractor.

28 * Sec. 2. AS 36.25 is amended by adding a new section to read:

29 Sec. 36.25.023. NOTICE BY CERTAIN PERSONS. (a) A person who

1 contracts other than as an employee to furnish labor or material in
2 the prosecution of a project for which the prime contractor is re-
3 quired to furnish a payment bond under AS 36.25.010 and who does not
4 have a direct contractual relationship with the prime contractor shall
5 give the prime contractor written notice of the contract within 10
6 days of entering into the contract.

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

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

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