

CS FOR HOUSE BILL NO. 468 (JUDICIARY)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 3/6/92
Referred: Rules

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to unfair trade practices by construction contractors."**

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

3 *** Section 1. AS 09.55 is amended by adding a new section to read:**

4 **ARTICLE 10. ACTIONS REGARDING NONCOMPLYING CONSTRUCTION BIDDERS.**

5 **Sec. 09.55.700. ACTIONS REGARDING NONCOMPLYING CONSTRUCTION**
6 **BIDDERS. (a) If a person suffers damages as a result of a competitive bid for a construction**
7 **contract losing to the bid of a person who knowingly violates AS 23.20.165, AS 23.30.045, or**
8 **26 U.S.C. 3101 - 3128 (Federal Insurance Contributions Act) by treating an employee as an**
9 **independent contractor while performing the contract, the person may bring an action for the**
10 **damages or for injunctive relief against the person who was awarded the contract.**

11 **(b) A person who is bidding on a competitively-bid construction contract may bring an**
12 **action in superior court to enjoin the person who is requesting the bids from awarding the**
13 **contract to a bidder who is knowingly violating an employee provision by treating an employee**
14 **as an independent contractor.**

1 (c) A person may not recover damages or obtain injunctive relief, except a temporary
2 restraining order, under (a) or (b) of this section if the person was knowingly in violation of an
3 employee provision when bidding on the contract.

4 (d) The attorney general may bring an action in superior court against a person who
5 knowingly violates an employee provision by treating an employee as an independent contractor
6 while performing a construction contract obtained by competitive bid. In addition to any other
7 penalty allowed by law, the court may

8 (1) impose a civil penalty of up to \$2,000 for each violation;

9 (2) enjoin the person from continuing the violation or committing further
10 violations; and

11 (3) impose a civil penalty of up to \$5,000 if the person violates an injunction
12 issued under (2) of this subsection.

13 (e) An action brought under this section must be commenced within two years of the
14 substantial completion of the construction project that was the subject of the contract.

15 (f) In this section,

16 (1) "action" includes a counterclaim;

17 (2) "construction" means the construction, repair, remodeling, alteration,
18 conversion, modernization, replacement, or renovation of a building or other structure;

19 (3) "damages" does not include the physical, mental, or emotional injury of an
20 individual;

21 (4) "employee provision" means AS 23.20.165, AS 23.30.045, or 26 U.S.C. 3101 -
22 3128 (Federal Insurance Contributions Act);

23 * Sec. 2. This Act applies only to contracts entered into on or after the effective date of this Act.