

ALASKA LEGISLATURE COMMITTEE FILES 1981-1982

1757 HLC HB 146 - HB 148

Original sponsor: Brown by Request

1 IN THE HOUSE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 146 (L&C)

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 payment procedures on certain
7 public contracts."

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 *Dept of Natural Resource*
12 Sec. 36.90.001. CONTRACT PAYMENTS. (a) At the request of a
13 contractor the state shall pay the contractor 20 percent of the amount
14 of the contract on or before the date the state gives the contractor
15 notice to proceed with the work covered by the contract.

16 (b) The state shall initiate payment to the contractor for the
17 amount due under the contract within 15 days after the contractor
18 submits a bill to the state for materials or services.

19 (c) If the state fails to make a payment due under this section,
20 it shall pay interest to the contractor under AS 45.45.010(a) on the
21 amount due. If a failure to make a payment due under this section
22 continues for 60 days or more, the state shall pay the contractor a
23 penalty of 10 percent of the amount due plus interest.

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

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

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

29 (2) "laborer, mechanic, or field surveyor" means a person
who engages in work which is basically physical or unskilled in nature;

1 or who engages in work, requiring the use of tools or machines, which
2 basically consists of the shaping and working of materials into some
3 type of structure, machine or other object; or who engages in outdoor
4 tasks related to the operation of finding and delineating contour,
5 dimensions, position, topography, as of any part of the earth's surface,
6 by preparation of measured plan or description of any area or other
7 portion of country or of road or line through any area or other portion
8 of country;

are these new definitions?

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

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

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

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

24 (7) "wages" includes fringe benefits.
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29

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811

Ph: 465-2700

HB 146

May 19, 1981

Mr. Ken Spray
House Labor & Commerce Committee
Alaska House of Representative
Pouch V
Juneau, Alaska 99811

Dear Mr. ~~Spray~~: *Ken*

My apologies for the confusion that has resulted from the hearings and conversations concerning a proposed committee substitute for House Bill 146, "An Act relating to payment procedures on certain public contracts." The confusion seems to relate to "certified" payroll as opposed to "certification." The following amendment is proposed to address the concerns expressed by members of the Department to provide security for the payment of wages to employees on public works projects.

Preferred Delete subsection (b), lines 16-19, page 1.
Amendment: Insert the following.

- (b) The state shall initiate payment to the contractor for the amount due under the public construction or public works contract within 15 days after the contractor submits to the state a bill for materials and services with a certification issued by the Department of Labor that all employees employed on the project by the contractor and by all subcontractors have been paid not less than the established prevailing rate of pay as determined and published by the Department of Labor.

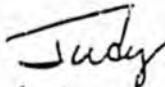
Alternative Delete section (b), lines 16-19, page 1.
Amendment: Insert the following.

- (b) The state shall initiate payment to the contractor for the amount due under the public construction or public works contract within 15 days after the contractor submits to the state a bill for materials and services and a sworn certification that all employees employed on the project by the contractor and by all subcontractors have been paid not less than the established prevailing rate of pay as determined and published by the Department of Labor.

Mr. Ken Spray
May 19, 1981
Page 2

Please contact Dale Cheek or me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Judy".

Judy G. Knight
Legislative Liaison

Enclosure

STATE OF ALASKA

L. Howard P. Position

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF LABOR

OFFICE OF THE COMMISSIONER

P. O. BOX 1149
JUNEAU, ALASKA 99811
Ph: 465-2700

May 19, 1981

Terry
HB 146
These concerns
are taken care of
in CSSS HB 146 (L.V.C.)

Mr. Ken Spray
House Labor & Commerce Committee
Alaska House of Representative
Pouch V
Juneau, Alaska 99811

Dear Mr. ~~Spray~~: *Ken*

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More than amendment

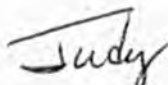
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Judy G. Knight
Legislative Liaison

Enclosure

W. H. ...
W. H. ...

1-27-82

ALASKA
STATE LEGISLATURE

MEMORANDUM

Division of Legal Services

Attn: Tom Mayo

Please see the (2) att'd amendments

into CSS HB 146 (LIC) per our committee meeting.

Kindly replicate as committee desires to pass out by committee. TMM:XS.

Rep. Terry Westing
M. ...

HB 518

AMENDMENT TO CSSH 146(L&C)

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

CHAPTER 90. MISCELLANEOUS PROVISIONS.

Sec. 36.90.001. (e) INTEREST ON PUBLIC CONSTRUCTION CONTRACTS. (1) 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.

(2) 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.

(3) A contract provision purporting to waive the interest provisions of this section is void as contrary to public policy.

Proposed Amendment #1

To be enrolled with ^{1st} proper amendments.

Jan 20, 1982

- 1) Motion to delete sub ser. (b) as now in CS and add new wording. ✓
- 2) Delete sub. (d) -
- 3) p 1 - (e) line 29 add. ✓

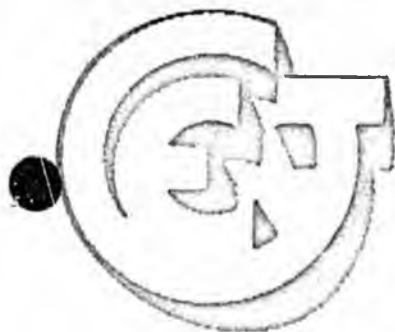
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Coalition for Economic Justice

204 E. 5th Avenue, Anchorage, Alaska 99501
207-27-5113

March 11, 1981

Mr. Vernon L. Hurlbert
Chairman
House Labor & Commerce Committee
Pouch V
Juneau, Alaska

Transmitted by Anchorage
Legislative Affairs Office

Dear Chairman Hurlbert,

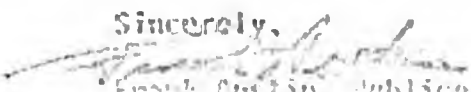
In a recent meeting with the Executive Director of the Alaska Real Estate Commission (AREC) I was advised that there are presently 13 outstanding claims against the Real Estate Surety Fund. These claims range in amounts from \$1,250 to \$10,000 dollars. The total amount is over \$75,000 dollars. I was also advised in this meeting that the AREC could not hold any hearings to determine if these claims are valid until SB-212 (Chapter 169 SLA 1980) which was passed during the last session is amended.

I have been advised that Mr. Lance Youngquist, Chairman of the Real Estate Commission will be meeting with you today to discuss the legislative changes that are need so that the commission can proceed with the hearings on these claims.

It was my understanding that one of the primary objectives of SB-212 was to streamline the Surety Fund hearing process so that it could serve both the consumer and the industry in a more equitable and positive fashion. I have been advised that conflicts between SB-212 and the Administrative Procedures Act have created the problem. In any case we have not achieved the goal of SB-212.

As a Public Member of the Real Estate Commission I urge you to support the necessary action to correct this situation.

Sincerely,


Frank Austin, Public Member
Alaska Real Estate Commission

Member, Board of Directors
Coalition for Economic Justice

cc: House Labor & Commerce Committee Members
Senate Labor & Commerce Committee Members
Jessie Dodson, Spec. Asst. Office of Governor
Lance Youngquist (586-1233)