



# LAWS OF ALASKA

1978

Source

SCS CSHB 766

Chapter No.

81

## AN ACT

Authorizing home rule and general law municipalities to exempt contractors from certain bond requirements in the construction or repair of public works projects.

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

\* Section 1. AS 36.25 is amended by adding a new section to read:

Sec. 36.25.025. OPTIONAL MUNICIPAL EXEMPTION. A municipality, by ordinance adopted by its governing body, may exempt contractors from compliance with the provisions of sec. 10(a) of this chapter if the estimated cost of the project does not exceed \$400,000, and

- (1) the contractor is, and for two years immediately preceding the award of the contract has been, a licensed contractor having his or its principal office in the state;
- (2) the contractor certifies that he has not defaulted on a contract awarded to him during the period of three years preceding the award of a contract for which a bid is submitted;
- (3) the contractor submits a financial statement, prepared within a period of nine months preceding the submission of a bid for the contract and certified by a public accountant or a certified public accountant licensed under AS 08.04, demonstrating that the contractor has a net worth of not less than 20 per cent of the amount of the contract for which a bid is submitted; and
- (4) the total amount of all contracts which the contractor anticipates performing during the term of performance of the contract for which a bid is submitted does not exceed the net worth of the contractor reported in the certified financial statement prepared and submitted under (3)

Chapter 81

of this subsection by more than seven times.

\* Sec. 2. AS 29.13.100 is amended by adding a new paragraph to read:

(38) AS 29.48.130(a)(12) (municipal exemption on contractor bond requirements)

\* Sec. 3. AS 29.48.130(a) is amended by adding a new paragraph to read:

(12) exempt contractors from compliance with general requirements relating to payment and performance bonds in the construction or repair of municipal public works projects within the limitations set out in AS 36.25.-025.