

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE  
4

5 Legislative Document

No. 803

6  
7 S.P. 314

In Senate, February 28, 1985

8 Referred to the Committee on State Government. Sent down for  
9 concurrence and ordered printed.

10 JOY J. O'BRIEN, Secretary of the Senate

Presented by President Pray of Penobscot.

11  
12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-FIVE  
16

17 AN ACT to Raise the Amount over which  
18 Contractors must Seek Municipal  
19 Bonding.  
20

21 Be it enacted by the People of the State of Maine as  
22 follows:

23 14 MRSA §871, sub-§3, as enacted by PL 1971, c.  
24 59, is amended to read:

25 3. Surety bonds. Unless specifically exempted by  
26 statute, before any contract, exceeding ~~§10,000~~  
27 \$50,000 in amount, for the construction, alteration  
28 or repair of any public building or other public im-  
29 provement or public work, including highways, is  
30 awarded to any person by the State or by any politi-  
31 cal subdivision or quasi-municipal corporation, or by  
32 any public authority, such person shall furnish to  
33 the State or to such other contracting body, as the  
34 case may be, the following surety bonds:

1 A. A performance bond in an amount equal to the  
2 full contract amount, conditioned upon the faith-  
3 ful performance of the contract in accordance  
4 with the plans, specifications and conditions  
5 thereof. Such bond shall be solely for the pro-  
6 tection of the State or the contracting body  
7 awarding the contract, as the case may be.

8 B. A payment bond in an amount equal to the full  
9 amount of the contract solely for the protection  
10 of claimants supplying labor or materials to the  
11 contractor or his subcontractor in the prosecu-  
12 tion of the work provided for in such contract.  
13 The term "materials" shall include rental of  
14 equipment.

15 Each such bond shall be executed by a surety company  
16 or companies duly authorized to do business in this  
17 State. In the case of contracts on behalf of the  
18 State, the bonds shall be payable to the State and  
19 deposited with the contracting authority. In the case  
20 of all other contracts subject to this section, the  
21 bonds shall be payable to and deposited with the con-  
22 tracting body awarding the contract.

23 STATEMENT OF FACT

24 The purpose of this bill is to raise the amount  
25 over which surety bonds are required for municipal  
26 construction projects from \$10,000 to \$50,000.

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