

House Research Act Summary

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TOPIC: Construction Payment Bonds

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Overview

This act involves construction payment bonds required for construction projects of the state or of local governments. These bonds, issued by an insurance company or other bonding company as surety, are required by law to be obtained by the general contractor to guarantee payment for labor or materials provided for the project.

- 1 **Claims on payment bonds.** Requires that construction payment bonds on public projects include addresses of the contractor and surety (company that issued the bond) at which notices of claims on the bond may be served. If an agent or person holding a power of attorney for the contractor or surety may accept service, that fact must be stated on the bond, together with the address at which service may be made on that person. Provides that if the bond does not list the address of both the contractor and the surety, a claimant on the bond need not notify either of them.