

Assembly Bill No. 3024

CHAPTER 79

An act to amend Section 7103 of the Public Contract Code, relating to payment bonds.

[Approved by Governor July 8, 2008. Filed with Secretary of State July 8, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3024, Duvall. Payment bonds: public works.

Existing law requires every original contractor who is awarded a public works contract by a state entity, as defined, involving an expenditure in excess of \$5,000, to file a payment bond.

This bill instead would require every original contractor who is awarded a public works contract by a state entity involving an expenditure in excess of \$25,000, to file a payment bond.

The people of the State of California do enact as follows:

SECTION 1. Section 7103 of the Public Contract Code is amended to read:

7103. (a) (1) Every original contractor to who is awarded a contract by a state entity, as defined in subdivision (d), involving an expenditure in excess of twenty-five thousand dollars (\$25,000) for any public work shall, before entering upon the performance of the work, file a payment bond with and approved by the officer or state entity by who the contract was awarded. The bond shall be in a sum not less than one hundred percent of the total amount payable by the terms of the contract.

(2) The state entity shall state in its call for bids for any contract that a payment bond is required in the case of such an expenditure.

(b) A payment bond filed and approved in accordance with this section shall be sufficient to enter upon the performance of work under a duly authorized contract that supplements the contract for which the payment bond was filed if the requirement of a new bond is waived by the state entity.

(c) For purposes of this section, providers of architectural, engineering, and land surveying services pursuant to a contract with a state entity for a public work shall not be deemed an original contractor and shall not be required to post or file the payment bond required in subdivisions (a) and (b).

(d) For purposes of this section, "state entity" means every state office department, division, bureau, board, or commission, but does not include the Legislature, the courts, any agency in the judicial branch of government,

or the University of California. All other public entities shall be governed by Section 3247 of the Civil Code.

(e) For purposes of this section, “public work” includes the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind.