



SENATE BILL No. 55

January 13, 1993, Introduced by Senator WARTNER and referred to the Committee on Commerce.

A bill to amend section 1 of Act No. 187 of the Public Acts of 1905, entitled as amended

"An act to insure the payment of subcontractors and wages earned and all materials or labor and certain supplies furnished and used in connection with and consumed in constructing, repairing or ornamenting public buildings and public works,"

as amended by Act No. 10 of the Public Acts of 1982, being section 570.101 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 1 of Act No. 187 of the Public Acts of
2 1905, as amended by Act No. 10 of the Public Acts of 1982, being
3 section 570.101 of the Michigan Compiled Laws, are amended to
4 read as follows:

5 Sec. 1. (1) ~~When~~ EXCEPT AS PROVIDED IN SUBSECTION (2),
6 WHEN A public ~~buildings~~ BUILDING or other public ~~works are~~
7 WORK IS about to be built, repaired, or ornamented under contract

1 at the expense of the state ~~—~~ or of any county, city, village,
2 township, or school district ~~thereof, it shall be the duty of~~
3 THE STATE, the board of officers or agents ~~—~~ contracting on
4 behalf of the state, county, city, village, township, or school
5 district ~~—, to~~ SHALL require BOTH OF THE FOLLOWING:

6 (A) GOOD AND sufficient security by bond for the payment by
7 the contractor of all subcontractors and for the payment for all
8 labor performed and materials and certain supplies furnished and
9 used in the erection, repairing, or ornamenting of the public
10 ~~buildings or works. However, if the~~ BUILDING OR WORK.

11 (B) PROOF THAT THE SURETY FOR A PAYMENT DESCRIBED IN SUBDI-
12 VISION (A) IS AUTHORIZED TO DO BUSINESS IN THIS STATE.

13 (2) THE PROOF REQUIRED BY SUBSECTION (1)(B) THAT A SURETY IS
14 AUTHORIZED TO DO BUSINESS IN THIS STATE SHALL INCLUDE, BUT IS NOT
15 LIMITED TO, A CERTIFICATE ISSUED BY THE MICHIGAN INSURANCE BUREAU
16 ATTESTING THAT THE SURETY IS AUTHORIZED TO DO BUSINESS IN THIS
17 STATE.

18 (3) IF A contractor DESCRIBED IN SUBSECTION (1) is a common
19 carrier as defined in section 3 of Act No. 300 of the Public
20 Acts of 1909, as amended, being section 462.3 of the Michigan
21 Compiled Laws, or the designated operator of a state subsidized
22 railroad, the contractor may provide an irrevocable letter of
23 credit from a state or national bank or a state or federally
24 chartered savings and loan association instead of the bond.