

## APPENDIX G

## STATE LAWS RELATING TO SCOPE AND COVERAGE OF CONTRACTOR BONDS

STATE & CITATION	SCOPE OF BOND OBLIGATION	AMOUNT OF COVERAGE	SPECIAL REQUIREMENTS
ALA. CODE § 39-1-1	<p>Performance Bond: faithful performance of contract.</p> <p>Payment Bond: labor, materials, or supplies for or in the prosecution of the work provided in the contract.</p> <p>Exemption: contracts under \$50,000.</p>	<p>100 percent of contract price.</p> <p>50 percent of contract price.</p>	<p>Payment bond must provide for payment of reasonable attorney fees for successful claimant on bond.</p>
ALASKA STAT. § 36.25.010	<p>Performance Bond: perform and complete all obligations and work under the contract.</p>	<p>50 percent of amount of contract less than \$1 million; 40 percent of amount of contract over \$1 million; over \$5 million, bond amount is \$2.5 million.</p>	<p>Corporate surety must be authorized to do business in state, or at least two individual sureties.</p>
Standard Specs. § 103-1.04	<p>Payment Bond; payment of all claims for labor performed and materials and supplies furnished.</p> <p>Applies to contracts over \$100,000.</p>	<p>Amount of performance bond shall be amount of payment bond.</p>	
ARIZ. STAT. §§ 34-221, 34-222	<p>Performance Bond: faithful performance of the contract in accordance with plans, specifications, and conditions, solely for protection of agency.</p>	<p>100 percent of contract amount for each payment and performance bond.</p>	<p>Surety must have authority to transact business in the State. Bond must provide for payment of attorney fees for prevailing party.</p>
Standard Specs. § 103.07	<p>Payment Bond: for payment of labor, materials, and supplies furnished to contractor or subcontractors.</p>		
ARK. CODE § 27-67-206	<p>Performance Bond: faithful performance of the contract.</p>	<p>Statute requires at least 25 percent of contract price. Standard Specs require 100 percent of contract amount for performance bond, and 80 percent of contract amount for payment bond.</p>	
Standard Specs. § 103.05	<p>Payment Bond: In form acceptable to department.</p>		
CAL. PUB. CONT. CODE §§ 10221-10225	<p>Performance bond: Guarantee faithful performance of contract.</p> <p>Payment Bond: For payment of claims of laborers mechanics or materialmen employed under the contract.</p>	<p>At least 50 percent of contract price for each bond.</p>	

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COLO. REV. STAT. §§ 38-26-106; 24-105-202	<p>Performance bond: Satisfactory to the state.</p> <p>Payment Bond: Payment for any labor, materials, team hire, sustenance, provisions, provender, or other supplies used or consumed by the contractor or his or her subcontractor in performance of the work contracted to be done, or supplier or laborers, rental machinery, tools, or equipment.</p> <p>Exceptions: Contracts under \$50,000.</p>	50 percent of contract amount.	Certified or cashier's check or bank money order may be accepted in lieu of surety bond.
CONN. GEN. STAT. § 49-41  Stand. Specs § 1.03.04	<p>Performance Bond: Agency may require.</p> <p>Payment bond: For the protection of persons supplying labor or material in the prosecution of the work.</p> <p>Exceptions: Contracts under \$50,000 do not require payment bond; contracts under \$25,000 do not require performance bond.</p>	Full amount of the contract.	
29 DEL. CODE § 6927  Standard Specifications § 103.05	<p>Performance Bond: Compliance and performance by the successful bidder of each and every term and condition of the contract and the proposal, plans and specifications thereof; payment in full to every person furnishing materiel or performing labor in the performance of the contract, of all sums of money due the person for such labor and material.</p> <p>Exceptions: Bond may be waived for contract under threshold amount set by Contracting and Purchasing Council, or may be waived at discretion of State.</p>	100 percent of contract price.	Bond must also indemnify and save harmless the State and the agency from all costs, damages, and expenses growing out of or by reason of the successful bidder's failure to comply and perform the work and complete the contract.
D.C. CODE §§ 2-305.01; 2-305.03; 2-305.04	<p>Performance Bond: To ensure the protection of the District government.</p> <p>Payment Bond: For the protection of all businesses supplying labor and materials, including lessors of equipment to the extent of the fair rental value of the equipment, to the contractor or a subcontractor in the performance of the work provided for by the contract.</p> <p>Exceptions: Contracts under \$100,000.</p>	Amount deemed adequate by the director; payment bond not less than 50 percent of contract price.	Surety must be authorized to do business in District.  In lieu of bond, may provide cash or other satisfactory security.
FLA. STAT. § 337.18	<p>Payment and Performance Bond: prompt, faithful, and efficient performance of the contract according to plans and specifications and within the time period specified, and for the prompt payment of all persons furnishing labor, material, equipment, and supplies</p>	Amount of contract.	Department may require alternate security if bond is waived; surety must be registered to do business in state.

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	<p>therefore.</p> <p>Exceptions: Department may waive requirement for contracts of \$150,000 or less.</p>		
GA. CODE §§ 32-2-70; 13-10-40; 13-10-60.	<p>Performance Bond: Required for construction contracts over \$100,000, with discretion to require for contracts less than \$100,000.</p> <p>Payment Bond: For the use and protection of all subcontractors and all persons supplying labor, materials, machinery, and equipment in the prosecution of the work provided for in the contract.</p>	Amount of contract.	State may accept a cashier's check, certified check, or cash.
HAW. REV. STAT. § 103D-324	<p>Exemptions: Contracts under \$50,000.</p> <p>Performance Bond: Faithfully perform, and fully complete the contract in strict accordance with its terms.</p> <p>Payment Bond: For every person who furnishes labor or material to the contractor for the work provided in the contract.</p> <p>Exceptions: contracts \$25,000 or less.</p>	100 percent of contract price.	May be a single payment and performance bond that satisfies requirements for each.
IDAHO CODE § 54-1926	<p>Performance Bond: Faithful performance of the contract in accordance with its plans, specifications, and conditions. Bonds shall be solely for protection of contracting agency.</p>	Not less than 85 percent of contract amount.	Government obligations may be given in lieu of surety bond if they meet statutory criteria in IDAHO CODE § 54-1901.
Stand. Specs. § 103.04	<p>Payment Bond: Solely for protection of persons supplying labor or materials, or renting, leasing, or otherwise supplying equipment to the contractor or subcontractor in prosecution of the work provided for in the contract.</p>		
30 ILL. COMP. STAT. § 550/1	<p>Performance and Payment Bond: For the completion of the contract, for the payment of material used in such work, and for all labor performed in such work, whether by subcontractor or otherwise.</p>	Amount fixed by agency.	Sureties selected by contractor, but subject to right of reasonable approval or disapproval of agency.
Stand. Specs. § 103.04	<p>Exceptions: Contracts \$5,000 or less.</p>		
IND. CODE §§ 8-23-9-8; 8-23-9-9	<p>Performance Bond: Faithful performance of the work, in accordance with the profile, plans, and specifications set forth in the proposal; payment by the contractor and by all subcontractors for</p>	Amount not less than contract price.	Commissioner has right to approve surety.
Stan. Specs § 101.32			

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	<p>all labor performed or materials furnished or other services rendered in the construction.</p> <p>Exceptions: Commissioner may waive bond requirements for contracts under \$100,000.</p>		
<p>IOWA CODE §§ 573.2–573.5</p> <p>Stan. Specs. § 1103.05</p>	<p>Contract Bond: Faithful performance of the contract and for fulfillment of other requirements as provided by law. Payment requirements include payment of all claims for labor and materials not otherwise covered by retainage.</p> <p>Exceptions: Contracts under \$25,000; may be required for contracts under that amount.</p>	<p>Not less than 75 percent of the amount of the contract unless contract provided that no payments are due until completion, in which case only 25 percent of the contract amount must be covered by the bond. Standard specifications require 100 percent of contract price.</p>	<p>Bonding company must be authorized to do business in the state.</p> <p>In lieu of surety bond, the contractor may deposit cash, certified check, or bonds issued by federal, state, or local agencies.</p>
<p>KAN. STAT. §§ 68-410, 68-704</p> <p>Stan. Specs. § 103.05</p>	<p>Contractor Bond: Faithfully perform such contract in every respect, and pay all indebtedness incurred for supplies, materials, or labor furnished, used or consumed in connection with or in or about the construction of the project for which the contract has been let, including gasoline, lubricating oils, fuel oils, greases, coal, and similar items used or consumed and used directly in carrying out the provisions of the contract.</p> <p>Exceptions: Contracts \$1,000 or less.</p>	<p>Amount not less than contract price.</p>	<p>Surety must be authorized to do business in state and approved by the secretary.</p>
<p>KY. REV. STAT. § 45A.190</p> <p>Stan. Spec. § 103.05</p>	<p>Performance Bond: Satisfactory to state.</p> <p>Payment Bond: For the protection of all persons supplying labor and material to the contractor or subcontractors.</p> <p>Exceptions: Contracts under \$25,000.</p>	<p>100 percent of contract price.</p>	
<p>LA. REV. STAT. §§ 38:2216; 39:2241, 48:255</p>	<p>Performance Bond: For faithful performance of contractor's duties.</p> <p>Payment Bond: For payment to claimants as defined in § 38:2242.</p> <p>Exceptions: No payment bond required for contracts under \$25,000. No performance bond if under \$50,000. On contracts of \$200,000 or less, qualified small businesses required to furnish only half of required bond amount.</p>	<p>Not less than 50 percent of contract amount.</p>	

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14 ME. REV. STAT. § 871	Performance Bond: Faithful performance of the contract in accordance with the plans, specifications, and conditions thereof.	100 percent of contract amount.	
Standard Specs § 103.05	<p>Payment Bond: Solely for the protection of claimants supplying labor or materials to the contractor or the contractor's subcontractor in the prosecution of the work provided for in the contract, including rental equipment.</p> <p>Exceptions: Contracts under \$100,000.</p>		
<p>MD. CODE STATE FIN. &amp; PROC. §§ 13-216; 17-101</p> <p>MD. REGS. CODE §§ 21.07.02.01; 21.06.07.03</p>	<p>Performance Bond: Performance of contract.</p> <p>Payment Bond: Payment for labor and materials, including leased equipment, under a contract for construction.</p> <p>Exceptions: Contracts under \$100,000.</p>	100 percent of contract amount.	Bond amounts may be reduced if state decides that self-insuring for part of risk is in best interest of state.
<p>MASS. LAWS ch. 149, § 29</p> <p>Stan. Specs § 3.04</p>	<p>Performance Bond: Performance of the contract.</p> <p>Payment Bond: Payment by contractor or subcontractor for labor performed or furnished and material used or employed in the work, including lumber not yet incorporated into or wholly consumed, specially fabricated material, transportation costs, equipment rental charges, and sums due under collective bargaining agreements regarding labor performed under the contract.</p> <p>Exceptions: Contracts under \$5,000.</p>	Not less than one half of total contract price.	
MICH. COMP. LAWS §§ 129.201, 129.202, 129.203	<p>Performance Bond: Faithful performance of the contract in accordance with the plans, specifications, and terms thereof.</p> <p>Payment Bond: Claimants, as defined in statute, supplying labor or materials to the principal contractor or subcontractors in the prosecution of the work.</p> <p>Exceptions: Contracts under \$50,000.</p>	Sufficient security, but not less than 25 percent of contract amount.	
MINN. STAT. § 574.26	<p>Performance Bond: For the use and benefit of the public body to complete the contract according to its terms, and conditioned on saving the public body harmless from all costs and charges that may accrue on account of completing the specified work.</p> <p>Payment Bond: for the use and benefit of all persons furnishing labor and materials engaged under, or to perform the</p>	DOT may set amount at between 75 and 100 percent of contract amount.	