

"AN ACT TO AMEND SECTION 1 OF ACT 351 OF 1953, AS AMENDED, [ARK. STAT. 51-632] INCREASING THE CONTRACT AMOUNT FOR WHICH THE CONTRACTOR MUST SUPPLY A BOND; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 1 of Act 351 of 1953, as amended, the same being Arkansas Statute 51-632, is hereby amended to read as follows:

"Section 1. No contract in any sum exceeding \$20,000 providing for the repair, alteration, or erection of any public building, public structure or public improvement shall be entered into by the State of Arkansas, or any subdivision thereof, any county, municipality, school district, or other local taxing unit, or by any agency of any of the foregoing, unless the contractor shall furnish to the party letting the contract a bond in a sum equal to the amount of the contract. All persons, firms, associations and corporations who have valid claims against the bond may bring an action thereon against the corporate surety, provided that no action shall be brought on said bond after twelve months from the date Arkansas State Building Services approves final payment on the state contract nor outside the State of Arkansas."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 3. It is hereby found and declared that because of the large volume of proposed construction by taxing agencies and the confusion that now exists on a large scale concerning the handling of Performance Bonds, to the detriment of contractors, subcontractors, the taxing agencies and the public, that the clarification made by this Act is immediately needed to eliminate said confusion and resulting harmful effects on the public peace, health, safety and welfare. By reason thereof, an emergency is declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force and after its passage and approval.

APPROVED: April 7, 1987
