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A bill to be entitled
An act relating to contractor bonds for public building construction; amending s. 255.05, F.S.; revising contract amount thresholds for payment and performance bonds; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (1) of section 255.05, Florida Statutes, is amended to read:

255.05 Bond of contractor constructing public buildings; form; action by materialmen.--

(1) (a) Any person entering into a formal contract with the state or any county, city, or political subdivision thereof, or other public authority, for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work shall be required, before commencing the work or before recommencing the work after a default or abandonment, to execute, deliver to the public owner, and record in the public records of the county where the improvement is located, a payment and performance bond with a surety insurer authorized to do business in this state as surety. A public entity may not require a contractor to secure a surety bond under this section from a specific agent or bonding company. The bond must state on its front page: the name, principal business address, and phone number of the contractor, the surety, the owner of the property being improved, and, if different from the owner, the contracting public entity; the contract number assigned by the contracting public entity; and a description of the project sufficient to identify it, such as a



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31 legal description or the street address of the property being
32 improved, and a general description of the improvement. Such
33 bond shall be conditioned upon the contractor's performance of
34 the construction work in the time and manner prescribed in the
35 contract and promptly making payments to all persons defined in
36 s. 713.01 who furnish labor, services, or materials for the
37 prosecution of the work provided for in the contract. Any
38 claimant may apply to the governmental entity having charge of
39 the work for copies of the contract and bond and shall thereupon
40 be furnished with a certified copy of the contract and bond. The
41 claimant shall have a right of action against the contractor and
42 surety for the amount due him or her, including unpaid finance
43 charges due under the claimant's contract. Such action shall not
44 involve the public authority in any expense. When such work is
45 done for the state and the contract is for \$250,000 ~~\$100,000~~ or
46 less, no payment and performance bond shall be required. At the
47 discretion of the official or board awarding such contract when
48 such work is done for any county, city, political subdivision,
49 or public authority, any person entering into such a contract
50 which is for \$500,000 ~~\$200,000~~ or less may be exempted from
51 executing the payment and performance bond. When such work is
52 done for the state, the Secretary of the Department of
53 Management Services may delegate to state agencies the authority
54 to exempt any person entering into such a contract amounting to
55 more than \$250,000 ~~\$100,000~~ but less than \$500,000 ~~\$200,000~~ from
56 executing the payment and performance bond. In the event such
57 exemption is granted, the officer or officials shall not be
58 personally liable to persons suffering loss because of granting
59 such exemption. The Department of Management Services shall
60 maintain information on the number of requests by state agencies



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61 for delegation of authority to waive the bond requirements by
62 agency and project number and whether any request for delegation
63 was denied and the justification for the denial.

64 Section 2. This act shall take effect July 1, 2003.