HB 535 CS 2004 **CS**

CHAMBER ACTION

The Committee on State Administration recommends the following:

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Committee Substitute

Remove the entire bill and insert:

A bill to be entitled

An act relating to public construction bonds; amending s. 255.05, F.S.; revising the form for a public construction bond; requiring all public construction bonds to be construed as statutory bonds; prohibiting conversion to common law bonds; deleting a requirement that bond forms used by public owners reference certain notice and time limitation provisions; providing an effective date.

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

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Section 1. Subsections (3), (4), and (6) of section 255.05, Florida Statutes, are amended to read:

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

(3) The bond required in subsection (1) may be in substantially the following form:

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PUBLIC CONSTRUCTION BOND

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25	Bond No. (enter bond number)
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27	BY THIS BOND, We, as Principal and, a
28	corporation, as Surety, are bound to, herein called Owner,
29	in the sum of \$, for payment of which we bind ourselves,
30	our heirs, personal representatives, successors, and assigns,
31	jointly and severally.
32	THE CONDITION OF THIS BOND is that if Principal:
33	1. Performs the contract dated,, between
34	Principal and Owner for construction of, the contract
35	being made a part of this bond by reference, at the times and in
36	the manner prescribed in the contract; and
37	2. Promptly makes payments to all claimants, as defined in
38	Section 255.05(1), Florida Statutes, supplying Principal with
39	labor, materials, or supplies, used directly or indirectly by
40	Principal in the prosecution of the work provided for in the
41	contract; and
42	3. Pays Owner all losses, damages, expenses, costs, and
43	attorney's fees, including appellate proceedings, that Owner
44	sustains because of a default by Principal under the contract;
45	and
46	4. Performs the guarantee of all work and materials
47	furnished under the contract for the time specified in the
48	contract, then this bond is void; otherwise it remains in full
49	force.

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50 Any action instituted by a claimant under this bond for 51 payment must be in accordance with the notice and time limitation provisions in Section 255.05, Florida Statutes. 52 53 Any changes in or under the contract documents and 54 compliance or noncompliance with any formalities connected with 55 the contract or the changes does not affect Surety's obligation 56 under this bond. 57 DATED ON ____, ____. 58 59 60 ... (Name of Principal) 61 By ... (As Attorney in Fact) 62 ... (Name of Surety) 63 64 (4) The payment provisions of All bonds required by 65 furnished for public work contracts described in subsection (1) 66 shall, regardless of form, be construed and deemed statutory 67 bonds furnished pursuant to this section and such bonds shall 68 not under any circumstances be converted into common law bonds 69 bond provisions, subject to all requirements of subsection (2). 70 (6) All bonds executed pursuant to this section shall make 71 reference to this section by number and shall contain reference 72 to the notice and time limitation provisions of this section.

Section 2. This act shall take effect upon becoming a law.

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