



## 1997 SENATE BILL 100

March 4, 1997 - Introduced by Senators MOEN, C. POTTER, RUDE, WINEKE, HUELSMAN, BRESKE, JAUCH, BUETTNER, ROSENZWEIG and PANZER, cosponsored by Representatives MUSSER, SPRINGER, HUBER, HARS DORF, HAHN, REYNOLDS, ALBERS, OURADA, MURAT and OLSEN. Referred to Committee on Economic Development, Housing and Government Operations.

1     **AN ACT to renumber and amend** 779.14 (1m) (b) 1.; **to amend** 779.14 (2) (am)  
2             2. c.; and **to create** 779.14 (1m) (b) 1. of the statutes; **relating to:** performance  
3             bonding requirements for certain contracts for public improvements or public  
4             works.

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### *Analysis by the Legislative Reference Bureau*

Under current law, certain contracts pertaining to public improvements or public works are required to contain a provision for the payment by the prime contractor of all claims for labor performed and materials furnished, used or consumed in making the public improvement or performing the public work. The prime contractor is required to give a performance bond for payment of these claims. These requirements apply to contracts with the state, if the contract involves \$2,500 or more, and to other public improvement or public work contracts, if the contract involves \$500 or more. Prior to 1995 Wisconsin Act 395, the performance bond requirement could be waived if the appropriate governmental entity determined that the contract provided for adequate guarantees or warranties of performance. This authority to waive performance bond requirements was repealed by 1995 Wisconsin Act 395.

This bill provides that the performance bonding requirements do not apply to contracts with school districts that do not exceed \$10,000 and allows school boards to waive the performance bonding requirements for contracts in excess of \$10,000, if the contract provides for guarantees or warranties deemed adequate by the school board.

