
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Emily Toler.

DIGEST

SB 265 Original

2024 Regular Session

Womack

Present law provides that the payment provisions of all bonds furnished for public work contracts are required to be construed as and deemed statutory bond provisions.

Proposed law provides a surety who has furnished such a bond is not precluded from asserting any defense to the principal obligation that its principal could assert except lack of capacity or discharge in bankruptcy of the principal obligor and otherwise retains present law.

Present law provides that nothing may deprive any claimant, of a right of action on the bond furnished, provided that an action must be initiated against the surety or the contractor or both within one year from either the registry of acceptance of the work or of notice of default of the contractor.

Proposed law requires that a surety who has furnished such a bond is not precluded from asserting any defense to the principal obligation that its principal could assert except lack of capacity or discharge in bankruptcy of the principal obligor and otherwise retains present law.

Present law requires that when the Department of Transportation and Development may enters into a contract in excess of \$50,000 for the construction, maintenance, alteration, or repair of any public works, the department shall require of the contractor a bond with good, solvent, and sufficient surety.

Proposed law provides nothing shall be construed to preclude a surety who has furnished such a bond from asserting any defense to the principal obligation that its principal could assert except lack of capacity or discharge in bankruptcy of the principal obligor and otherwise retains present law.

Present law provides nothing shall deprive any claimant, who has complied with the notice and recordation requirements of the law (R.S. 48:256.5(B), of a right of action on the bond furnished provided that action must be brought against the surety or the contractor or both within one year from the registry of acceptance of the work or of notice of default of the contractor.

Proposed law provides nothing shall be construed to preclude a surety who has furnished such bond from asserting any defense to the principal obligation that its principal could assert except lack of capacity or discharge in bankruptcy of the principal obligor and otherwise retains present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S.38:2241(C) and 2247 and R.S. 48:256.3(B) and 256.12)