

Senate Bill 490

By: Senator Tate of the 38th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling
2 and other trade practices, so as to require the execution of a performance bond by certain
3 contractors; to provide for the amount of such bond; to provide for related matters; to repeal
4 conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
8 trade practices, is amended by inserting at the end thereof a new Article 34 to read as
9 follows:

10 "ARTICLE 34

11 10-1-900.

12 (a) Before entering into the performance of any contract for the construction of an
13 improvement to property, other than a public work, the general contractor or builder
14 obtaining a local permit for construction shall execute a good and valid bond with a surety,
15 bonding, or insurance company authorized to do business in the state for the faithful
16 performance of the terms of the contract. The bond shall be approved by the local building
17 official issuing the building permit and shall be conditioned to conform to the building
18 regulations provided for by local ordinance or other laws of the applicable local governing
19 authority in reference to buildings. The execution of the bond required by this Code
20 section shall be a condition precedent to commencing work on any such contract in this
21 state.

22 (b) Every bond required by this Code section shall be in an amount equal to 25 percent of
23 the contract price or of the compensation to be received by the contract pursuant to the
24 contract."

1

SECTION 2.

2 All laws and parts of laws in conflict with this Act are repealed.