

HOUSE No. 01015

The Commonwealth of Massachusetts

PRESENTED BY:

James M. Murphy

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to surety bonds.

PETITION OF:

NAME:

James M. Murphy

DISTRICT/ADDRESS:

4th Norfolk

HOUSE No. 01015

By Mr. James M. Murphy of Weymouth, petition (accompanied by bill, House, No. 01015) of James M. Murphy relative to surety bonds of home improvement contractors. Joint Committee on Consumer Protection and Professional Licensure.

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

An Act relative to surety bonds.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 142A of the General Laws, as appearing in the 2010 Official Edition, is
2 hereby amended by inserting after section 11 the following section:-
3 “Section 11A. Applications for contractor or subcontractor shall be accompanied by a bond in
4 the amount of \$10,000 and executed by a surety company authorized to transact business in this
5 state as surety on the bond, with the applicant as Principal on the bond and the state of
6 Massachusetts as obligee. The bond shall be in addition to any fee to the guaranty fund in
7 accordance with section 11. In the event of any claim, the claim must first be paid by the bond
8 and then a claim may be submitted to the guarantee fund.
9 The bond shall be for the benefit of the state of Massachusetts and its consumers, dealing with
10 the applicant, conditioned that the applicant shall faithfully perform the duties and in all things
11 comply with the laws, rules or regulations pertaining to the profession or any contracts entered

12 into or losses or damages sustained by the consumer. Payment shall be made upon receipt of a
13 final judgment entered into by a court of competent jurisdiction in the state.

14 The aggregate liability of the surety, regardless of the number of claims made against the bond or
15 the number of years the bond remains in force, shall in no event exceed the amount of the bond.

16 Revisions of the bond shall not be cumulative. The bond may be terminated at any time by the
17 surety upon sending 30 days notice in writing to the state of Massachusetts and to the Principal.”

18 SECTION 2. This act shall take effect upon passage.