

FINAL BILL REPORT

SHB 1384

C 231 L 11
Synopsis as Enacted

Brief Description: Concerning public improvement contracts involving certain federally funded transportation projects.

Sponsors: House Committee on Transportation (originally sponsored by Representatives Moscoso, Lias, Clibborn, Billig, Ryu, Kenney, Stanford and Reykdal; by request of Department of Transportation).

House Committee on Transportation
Senate Committee on Transportation

Background:

State law requires that public improvement contract provisions include a "contract retainage" of no more than 5 percent of the moneys earned by the contractor. The retainage is to be set aside as a trust fund in the event that claims arise under the contract or taxes are not paid by the contractor.

Federal disadvantaged business enterprise (DBE) regulations require prime contractors to pay subcontractors in full by no later than 30 days after the subcontractor's work is satisfactorily completed. This is referred to as the DBE "prompt payment requirement."

Summary:

Public improvement contracts for highway, road, and street projects that are funded by federal transportation funds are exempted from the retainage requirement. Instead, the contract bond is used in the event of claims or unpaid taxes. The contract bond must remain in full force and effect until, at a minimum, all claims filed in compliance with contractor's bond requirements are resolved.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 22, 2011

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.