

**Chapter 60.30 RCW**  
**PRIVATE CONSTRUCTION PROJECTS**

**Sections**

- 60.30.010 Retainage.
- 60.30.020 Retainage bonds—Authorized surety.
- 60.30.030 Application.

**RCW 60.30.010 Retainage.** (1) An owner, contractor, subcontractor, or supplier may withhold as retainage an amount equal to not more than five percent of the contract price of the work completed for private construction projects. Partial payment allowed under this subsection is not acceptance or approval of some of the work or a waiver of defects in the work.

(2) The owner, contractor, subcontractor, or supplier shall pay interest at the rate of one percent per month on the final payment due the contractor, subcontractor, or supplier. The interest shall commence 30 days after the contractor, subcontractor, or supplier has completed and the owner has accepted the work under the contract for construction for which the final payment is due. The interest shall run until the date when final payment is tendered to the contractor, subcontractor, or supplier.

(3) When the contractor, subcontractor, or supplier considers the work that the contractor, subcontractor, or supplier is contracted to perform to be complete, the contractor, subcontractor, or supplier shall notify the party to whom the contractor, subcontractor, or supplier is responsible for performing the construction work under the contract.

(4) The party shall, within 15 days after receiving the notice, either accept the work or notify the contractor, subcontractor, or supplier of work yet to be performed under the contract or subcontract. If the party does not accept the work or does not notify the contractor, subcontractor, or supplier of work yet to be performed within the time allowed, the interest required under this subsection shall commence 30 days after the end of the 15-day period. A contractor may provide notice under this subsection to an owner or upper-tier contractor for release of retainage due to a subcontractor or supplier whose work is complete. If an owner or upper-tier contractor does not accept the subcontractor's or supplier's work or does not notify the contractor of work yet to be performed by the subcontractor or supplier within 15 days after receiving the notice, the interest required under this section shall commence 30 days after the end of the 15-day period. A contractor's obligation to pay interest to a subcontractor or supplier under this section does not begin until the contractor has received payment for the subcontractor's or supplier's retainage provided that the contractor has submitted the subcontractor's or supplier's retainage request to the owner or upper-tier contractor within 30 days after receipt from the subcontractor or supplier.

(5) This section does not apply to single-family residential construction less than 12 units. [2024 c 101 s 1; 2023 c 373 s 1.]

**RCW 60.30.020 Retainage bonds—Authorized surety.** (1) In lieu of retainage, a subcontractor, supplier, or contractor may tender, and

a contractor or owner must accept, a retainage bond in an amount not to exceed five percent of the moneys earned by the subcontractor, supplier, or contractor.

(2) A subcontractor or contractor must provide a good and sufficient bond from an authorized surety company, conditioned that such person or persons must:

(a) Faithfully perform all the provisions of such contract;

(b) Pay all laborers, mechanics, and subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors, with provisions and supplies for the carrying on of such work; and

(c) Pay the taxes, increases, and penalties incurred on the project.

(3) The contractor or owner may require that the authorized surety have a minimum A.M. Best financial strength rating so long as that minimum rating does not exceed A-. The contractor may withhold the subcontractor's or supplier's portion of the bond premium, to the extent the contractor provides a retainage bond to obtain a release of the subcontractor's or supplier's retainage.

(4) The contractor or owner must accept a bond meeting the requirements of this section. The subcontractor, supplier, or contractor's bond and any proceeds therefrom are subject to all claims and liens and in the same manner and priority as set forth for retained percentages in the contract and other applicable provisions.

(5) Whenever an owner accepts a bond in lieu of retained funds from a contractor, the contractor must accept like bonds from any subcontractors or suppliers from which the contractor has retained funds. The contractor must then release the funds retained from the subcontractor or supplier to the subcontractor or supplier within 30 days of accepting the bond from the subcontractor or supplier.

(6) This section does not apply to single-family residential construction less than 12 units. [2024 c 101 s 2; 2023 c 373 s 2.]

**RCW 60.30.030 Application.** RCW 60.30.010 and 60.30.020 only apply to private construction projects and do not apply to public improvement contracts, as defined in RCW 60.28.011. [2023 c 373 s 3.]