

CERTIFICATION OF ENROLLMENT

SUBSTITUTE SENATE BILL 6022

Chapter 352, Laws of 2005

59th Legislature
2005 Regular Session

PUBLIC CONSTRUCTION BONDS--SURETY BONDS

EFFECTIVE DATE: 7/24/05

Passed by the Senate April 18, 2005
YEAS 38 NAYS 0

BRAD OWEN

President of the Senate

Passed by the House April 7, 2005
YEAS 95 NAYS 1

FRANK CHOPP

Speaker of the House of Representatives

Approved May 9, 2005.

CHRISTINE GREGOIRE

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6022** as passed by the Senate and the House of Representatives on the dates hereon set forth.

THOMAS HOEMANN

Secretary

FILED

May 9, 2005 - 3:56 p.m.

**Secretary of State
State of Washington**

SUBSTITUTE SENATE BILL 6022

AS AMENDED BY THE HOUSE

Passed Legislature - 2005 Regular Session

State of Washington 59th Legislature 2005 Regular Session

By Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senator Prentice)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to surety bonds or insurance for public building or
2 construction contracts; amending RCW 48.30.270; repealing RCW
3 53.08.145; repealing 2003 c 323 s 2; repealing 2003 c 323 ss 3 and 4
4 (uncodified); and repealing 2000 c 143 s 3 (uncodified).

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 **Sec. 1.** RCW 48.30.270 and 2003 c 323 s 1 are each amended to read
7 as follows:

8 (1) No officer or employee of this state, or of any public agency,
9 public authority or public corporation except a public corporation or
10 public authority created pursuant to agreement or compact with another
11 state, and no person acting or purporting to act on behalf of such
12 officer or employee, or public agency or public authority or public
13 corporation, shall, with respect to any public building or construction
14 contract which is about to be, or which has been competitively bid,
15 require the bidder to make application to, or to furnish financial data
16 to, or to obtain or procure, any of the surety bonds or contracts of
17 insurance specified in connection with such contract, or specified by
18 any law, general, special or local, from a particular insurer or agent
19 or broker.

1 (2) No such officer or employee or any person, acting or purporting
2 to act on behalf of such officer or employee shall negotiate, make
3 application for, obtain or procure any of such surety bonds or
4 contracts of insurance, except contracts of insurance for builder's
5 risk or owner's protective liability, which can be obtained or procured
6 by the bidder, contractor or subcontractor.

7 (3) This section shall not be construed to prevent the exercise by
8 such officer or employee on behalf of the state or such public agency,
9 public authority, or public corporation of its right to approve the
10 form, sufficiency or manner or execution of the surety bonds or
11 contracts of insurance furnished by the insurer selected by the bidder
12 to underwrite such bonds, or contracts of insurance.

13 (4) Any provisions in any invitation for bids, or in any of the
14 contract documents, in conflict with this section are declared to be
15 contrary to the public policy of this state.

16 (5) A violation of this section shall be subject to the penalties
17 provided by RCW 48.01.080.

18 (6) This section shall not apply to((+

19 ~~(a) The public nonprofit corporation authorized under RCW~~
20 ~~67.40.020;~~

21 ~~(b) Projects in excess of one hundred million dollars for port~~
22 ~~districts formed under chapter 53.04 RCW;~~

23 ~~(c) A regional transit authority authorized under RCW 81.112.030;~~
24 ~~or~~

25 ~~(d) Projects in excess of one hundred million dollars for counties~~
26 ~~with a population over one million, for projects administered for~~
27 ~~public hospitals)) public construction projects, when the actual or~~
28 ~~estimated aggregate value of the project, exclusive of insurance and~~
29 ~~surety costs, exceeds two hundred million dollars. For purposes of~~
30 ~~applying the two hundred million dollar threshold set forth in this~~
31 ~~subsection, the term "public construction project" means a project that~~
32 ~~has a public owner and has phases, segments, or component parts~~
33 ~~relating to a common geographic site or public transportation system,~~
34 ~~but does not include the aggregation of unrelated construction~~
35 ~~projects.~~

36 (7) The exclusions specified in subsection (6) of this section do
37 not apply to surety bonds.

1 NEW SECTION. **Sec. 2.** The following acts or parts of acts are each
2 repealed:

3 (1) 2003 c 323 s 2;

4 (2) 2003 c 323 s 3 (uncodified);

5 (3) 2003 c 323 s 4 (uncodified);

6 (4) RCW 53.08.145 (Insurance--Determination of risks, hazards,
7 liabilities--Acquisition of appropriate insurance) and 2000 c 143 s 1;
8 and

9 (5) 2000 c 143 s 3 (uncodified).

Passed by the Senate April 18, 2005.

Passed by the House April 7, 2005.

Approved by the Governor May 9, 2005.

Filed in Office of Secretary of State May 9, 2005.