
SUBSTITUTE HOUSE BILL 2132

State of Washington

58th Legislature

2003 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kenney, Schual-Berke, Santos and McDermott)

READ FIRST TIME 03/05/03.

1 AN ACT Relating to public building or construction contracts;
2 amending RCW 48.30.270; reenacting and amending RCW 48.30.270;
3 providing an effective date; and providing an expiration date.

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

5 **Sec. 1.** RCW 48.30.270 and 2000 2nd sp.s. c 4 s 33 and 2000 c 143
6 s 2 are each reenacted and amended to read as follows:

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

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

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

24 (d) Projects in excess of one hundred million dollars for counties
25 with a population over one million, for projects administered for
26 public hospitals; or

27 (e) For the purposes of this section, "projects" means a capital
28 construction project in which any public agency, public authority, or
29 public corporation has one construction contract with a contractor that
30 is in excess of one hundred million dollars. Combining two or more
31 construction contracts in order to exceed the one hundred million
32 dollar threshold for projects authorized in (b) and (d) of this
33 subsection is specifically prohibited.

34 **Sec. 2.** RCW 48.30.270 and 2000 2nd sp.s. c 4 s 33 are each amended
35 to read as follows:

36 (1) No officer or employee of this state, or of any public agency,
37 public authority or public corporation except a public corporation or

1 public authority created pursuant to agreement or compact with another
2 state, and no person acting or purporting to act on behalf of such
3 officer or employee, or public agency or public authority or public
4 corporation, shall, with respect to any public building or construction
5 contract which is about to be, or which has been competitively bid,
6 require the bidder to make application to, or to furnish financial data
7 to, or to obtain or procure, any of the surety bonds or contracts of
8 insurance specified in connection with such contract, or specified by
9 any law, general, special or local, from a particular insurer or agent
10 or broker.

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

17 (3) This section shall not be construed to prevent the exercise by
18 such officer or employee on behalf of the state or such public agency,
19 public authority, or public corporation of its right to approve the
20 form, sufficiency or manner or execution of the surety bonds or
21 contracts of insurance furnished by the insurer selected by the bidder
22 to underwrite such bonds, or contracts of insurance.

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

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

28 (6) This section shall not apply to:

29 (a) The public nonprofit corporation authorized under RCW
30 67.40.020; (~~(e)~~)

31 (b) A regional transit authority authorized under RCW 81.112.030;

32 (c) Projects in excess of one hundred million dollars for counties
33 with a population over one million, for projects administered for
34 public hospitals; or

35 (d) For the purposes of this section, "projects" means a capital
36 construction project in which any public agency, public authority, or
37 public corporation has one construction contract with a contractor that
38 is in excess of one hundred million dollars. Combining two or more

1 construction contracts in order to exceed the one hundred million
2 dollar threshold for projects authorized in (c) of this subsection is
3 specifically prohibited.

4 NEW SECTION. **Sec. 3.** Section 1 of this act expires December 31,
5 2006.

6 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect December
7 31, 2006.

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