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**SUBSTITUTE HOUSE BILL 1460**

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**State of Washington                      59th Legislature                      2005 Regular Session**

**By** House Committee on Transportation (originally sponsored by Representatives Green, Shabro, Flannigan, Talcott, Morrell and Lantz)

READ FIRST TIME 03/07/05.

1            AN ACT Relating to county contracts for construction, maintenance,  
2 or repair of a marine vessel; amending RCW 39.08.100; and declaring an  
3 emergency.

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

5            **Sec. 1.** RCW 39.08.100 and 1989 c 58 s 2 are each amended to read  
6 as follows:

7            On contracts for construction, maintenance, or repair of a marine  
8 vessel, the department of transportation or any county may permit,  
9 subject to specified format and conditions, the substitution of one or  
10 more of the following alternate forms of security in lieu of all or  
11 part of the bond: Certified check, replacement bond, cashier's check,  
12 treasury bills, an irrevocable bank letter of credit, assignment of a  
13 savings account, or other liquid assets specifically approved by the  
14 secretary of transportation or county engineer, for their respective  
15 projects. The secretary of transportation or county engineer,  
16 respectively, shall predetermine and include in the special provisions  
17 of the bid package the amount of this alternative form of security or  
18 bond, or a combination of the two, on a case-by-case basis, in an  
19 amount adequate to protect one hundred percent of the state's or

1 county's exposure to loss. Assets used as an alternative form of  
2 security shall not be used to secure the bond. By October 1, 1989, the  
3 department shall develop and adopt rules under chapter 34.05 RCW that  
4 establish the procedures for determining the state's exposure to loss  
5 on contracts for construction, maintenance, or repair of a marine  
6 vessel. Prior to awarding any contract limiting security to the  
7 county's exposure to loss, a county shall develop and adopt an  
8 ordinance that establishes the procedure for determining the county's  
9 exposure to loss on contracts for construction, maintenance, or repair  
10 of a marine vessel.

11 NEW SECTION. **Sec. 2.** This act is necessary for the immediate  
12 preservation of the public peace, health, or safety, or support of the  
13 state government and its existing public institutions, and takes effect  
14 immediately.

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