

HOUSE BILL REPORT

HB 1199

As Passed House:

March 11, 2009

Title: An act relating to retainage of funds on public works projects.

Brief Description: Regarding retainage of funds on public works projects.

Sponsors: Representatives Haigh, Kristiansen, Hunt and Armstrong; by request of Capital Projects Advisory Review Board.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 1/23/09, 2/5/09 [DP].

Floor Activity

Passed House: 3/11/09, 96-0.

Brief Summary of Bill

- Removes obsolete references related to retainage of funds on public works contracts.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 7 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Ranking Minority Member; Alexander, Flannigan, Hurst and Miloscia.

Staff: Marsha Reilly (786-7135)

Background:

In most instances, the general contractor on a public works project is required to post a performance bond to faithfully perform all work under the contract and to pay laborers, material suppliers, and subcontractors. Also, in most instances, a retainage of up to 5 percent of the contract amount is required on public works contracts to be paid to the contractors 45 days after the completion of the project. The amount serves as a trust fund for payment of laborers, subcontractors, material suppliers, and excise taxes that are imposed on the contract.

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.

Summary of Bill:

Obsolete references relating to retainage of funds on public works contracts entered into prior to September 1, 1992, are removed. Statutes related to timely payment of interest on unpaid public contracts; public works retainage; excess over lien claims to contractor; and duties of the disbursing officer upon final acceptance of contract are each repealed.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Capital Projects and Advisory Review Board supports this bill. It is a clean-up bill to take obsolete statutes off the books and to correct cross references. There are no new requirements. This is to remove statutes related to projects entered into before September 1992 and has been confusing to some.

(Opposed) None.

Persons Testifying: Representative Haigh, prime sponsor; Bob Maruska, Capital Projects Advisory Review Board; and Mike Purdy, University of Washington.

Persons Signed In To Testify But Not Testifying: None.