

SENATE BILL REPORT

SB 5399

As of February 11, 2009

Title: An act relating to payment of undisputed claims.

Brief Description: Regarding payment of undisputed claims.

Sponsors: Senators Rockefeller and Shin; by request of Capital Projects Advisory Review Board.

Brief History:

Committee Activity: Government Operations & Elections: 2/10/09.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

Staff: Aaron Gutierrez (786-7448)

Background: Completion of a public works project may require work outside the scope of the original contract; for example, to bring the project in line with newly established or amended environmental regulations. A change order calls for modifications to a contract for things such as additional work or an extended completion time. The public entity must approve of the request for the contractor to receive payment.

Summary of Bill: For additional work beyond the scope of the contract, the state or municipality must issue a change order within 30 days of satisfactory completion of all or a portion of the additional work. If a change order is not issued within 30 days, the state or municipality must pay interest at a rate of 1 percent per month.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill provides payment as soon as possible for undisputed work. The bill represents the consensus of the Capital Projects Advisory Review Board. The bill concerns only undisputed work, so there should be no fiscal note.

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.

OTHER: We have no problem with the overall bill, but are concerned with the fiscal impact.

Persons Testifying: PRO: Bob Maruska, CPARB; Larry Stevens, Mechanical Contractors Association, National Electrical Contractors Association; Van Collins, Associate General Contractors.

OTHER: Joe Barnett, King County Government.