S-1259.1

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**SENATE BILL 5788**

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**State of Washington 65th Legislature 2017 Regular Session**

**By** Senators Brown, Padden, and Takko

AN ACT Relating to construction contracts; and adding a new section to chapter 4.24 RCW.

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

NEW SECTION. **Sec.**  A new section is added to chapter 4.24 RCW to read as follows:

(1) Any clause in a construction contract, as defined in RCW 4.24.370, which purports to waive, release, or extinguish the claim rights of a contractor, subcontractor, or supplier to damages or an equitable adjustment based on failure to submit a claim notice or claim-related documentation in a specified time frame or form is void and unenforceable, except to the extent the party seeking to enforce the clause is able to show material prejudice as a result of noncompliance.

(2) Subsection (1) of this section does not apply to any contractual requirement that a lawsuit, arbitration, or other similar alternative dispute resolution procedure be commenced within a reasonable time period, which shall be no fewer than one hundred eighty calendar days following the completion or termination of a contract.

(3) For the purposes of this section, "claim" means any demand or assertion by a party to a construction contract seeking, as a matter of right, adjustment, or interpretation of contract terms, payment of money, extension of time, or other relief with respect to the terms of the contract. "Claim" includes other disputes and matters in question between the parties to a construction contract arising out of or relating to the contract. The responsibility to substantiate a claim rests with the claimant.

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