S-3737.2

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**SENATE BILL 6040**

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**State of Washington 68th Legislature 2024 Regular Session**

**By** Senators Valdez, Keiser, Conway, Hasegawa, and Nobles

AN ACT Relating to prompt payment in public works; and amending RCW 39.04.250.

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

**Sec.**  RCW 39.04.250 and 1992 c 223 s 5 are each amended to read as follows:

(1)(a) When payment is received by a contractor or subcontractor for work performed on a public work, the contractor or subcontractor shall pay to any subcontractor not later than ((~~ten~~)) 10 days after the receipt of the payment, amounts allowed the contractor on account of the work performed by the subcontractor, to the extent of each subcontractor's interest therein.

(b) Payment to subcontractors that are state certified small, women, and minority-owned, or disadvantaged business enterprises or recognized as a women or minority-owned business enterprise in a state of Washington port, county, or municipal small business or women or minority-owned business enterprise program must be paid no later than 30 days after the work is accepted by the state or municipality, regardless of when the prime contractor receives payment for work performed on the public work.

(2) In the event of a good faith dispute over all or any portion of the amount due on a payment from the state or a municipality to the prime contractor, or from the prime contractor or subcontractor to a subcontractor, then the state or the municipality, or the prime contractor or subcontractor, may withhold no more than ((~~one hundred fifty~~)) 150 percent of the disputed amount. Those not a party to a dispute are entitled to full and prompt payment of their portion of a draw, progress payment, final payment, or released retainage.

(3) In addition to all other remedies, any person from whom funds have been withheld in violation of this section shall be entitled to receive from the person wrongfully withholding the funds, for every month and portion thereof that payment including retainage is not made, interest at the highest rate allowed under RCW 19.52.025. In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to costs of suit and reasonable attorneys' fees.

**--- END ---**