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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

Prefiled 01/05/24. Read first time 01/08/24. Referred to Committee on State Government & Elections.

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

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

4 **Sec. 1.** RCW 39.04.250 and 1992 c 223 s 5 are each amended to  
5 read as follows:

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

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

20 (2) In the event of a good faith dispute over all or any portion  
21 of the amount due on a payment from the state or a municipality to

1 the prime contractor, or from the prime contractor or subcontractor  
2 to a subcontractor, then the state or the municipality, or the prime  
3 contractor or subcontractor, may withhold no more than (~~one hundred~~  
4 ~~fifty~~) 150 percent of the disputed amount. Those not a party to a  
5 dispute are entitled to full and prompt payment of their portion of a  
6 draw, progress payment, final payment, or released retainage.

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

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