

CERTIFICATION OF ENROLLMENT

ENGROSSED SUBSTITUTE SENATE BILL 6040

Chapter 276, Laws of 2024

68th Legislature
2024 Regular Session

PROMPT PAYMENT IN PUBLIC WORKS—REVIEW

EFFECTIVE DATE: March 26, 2024

Passed by the Senate March 5, 2024
Yeas 49 Nays 0

DENNY HECK

President of the Senate

Passed by the House March 1, 2024
Yeas 95 Nays 0

LURIE JINKINS

**Speaker of the House of
Representatives**

Approved March 26, 2024 9:45 AM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Sarah Bannister, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 6040** as passed by the Senate and the House of Representatives on the dates hereon set forth.

SARAH BANNISTER

Secretary

FILED

March 27, 2024

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 6040

AS AMENDED BY THE HOUSE

Passed Legislature - 2024 Regular Session

State of Washington 68th Legislature 2024 Regular Session

By Senate State Government & Elections (originally sponsored by Senators Valdez, Keiser, Conway, Hasegawa, and Nobles)

READ FIRST TIME 01/31/24.

1 AN ACT Relating to prompt payment in public works; creating new
2 sections; and declaring an emergency.

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

4 NEW SECTION. **Sec. 1.** (1) The legislature finds that prompt pay
5 requirements address the acceptable amount of time that payments must
6 be made to contractors and subcontractors, and under what
7 circumstances exceptions can be made. Washington state has prompt pay
8 statutes that apply to public works commissioned by the state or
9 local public entities such as counties, cities, towns, port
10 districts, school districts, and other public entities in the state.
11 These statutes intend to promote efficient implementation of public
12 works projects by, among other things, requiring timely payment to
13 assist contractors and subcontractors in operating their businesses
14 and meet working capital and cash flow needs, while enabling public
15 entities to address such things as disagreements over amounts owed,
16 unsatisfactory performance, and noncompliance with the terms of the
17 contract.

18 (2) The legislature intends to review how well prompt pay
19 provisions are working for small businesses, particularly women and
20 minority-owned businesses, potential improvements that could be

1 considered, and the potential impacts on the industry any
2 recommendations might have.

3 NEW SECTION. **Sec. 2.** (1)(a) The capital projects advisory
4 review board created in chapter 39.10 RCW shall review the extent to
5 which prompt pay statutes meet the needs of small businesses, as
6 defined in RCW 39.26.010, particularly women and minority-owned
7 businesses as certified under chapter 39.19 RCW or as officially
8 recognized as such by a local public entity. These statutes include
9 RCW 39.04.250, 39.76.011, and 39.76.020.

10 (b) The capital projects advisory review board must present
11 findings and any recommendations the board develops to the
12 appropriate committees of the legislature on or before November 1,
13 2024.

14 (2) In carrying out the review and considering possible
15 recommendations under subsection (1) of this section, the board shall
16 engage with a broad range of stakeholders.

17 NEW SECTION. **Sec. 3.** In considering possible recommendations
18 under section 2(1)(b) of this act, at a minimum the capital projects
19 advisory review board shall consider:

20 (1) Requiring the state and local entities to pay the prime
21 contractor within 30 days for work satisfactorily completed or
22 materials delivered by a subcontractor of any tier that is a small
23 business certified with the office of minority and women's business
24 enterprises under chapter 39.19 RCW, or is recognized as a women or
25 minority-owned business enterprise in a state of Washington port,
26 county, or municipal small business or women or minority-owned
27 business enterprise program;

28 (2) Requiring that, within 10 days of receipt of payment, the
29 prime contractor and each higher tier subcontractor must make payment
30 to its subcontractor until the subcontractor that is a certified
31 small business or recognized women or minority-owned business has
32 received payment.

33 NEW SECTION. **Sec. 4.** This act is necessary for the immediate
34 preservation of the public peace, health, or safety, or support of
35 the state government and its existing public institutions, and takes
36 effect immediately.

Passed by the Senate March 5, 2024.
Passed by the House March 1, 2024.
Approved by the Governor March 26, 2024.
Filed in Office of Secretary of State March 27, 2024.

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