

# SENATE BILL REPORT

## SHB 1671

---

As Reported By Senate Committee On:  
Judiciary, March 29, 1999

**Title:** An act relating to actions arising out of public works contracts.

**Brief Description:** Eliminating a maximum amount threshold for pleadings in actions arising from public works contracts.

**Sponsors:** House Committee on Judiciary (originally sponsored by Representatives Constantine, Radcliff, Kessler, Mastin, Sullivan, Grant, G. Chandler, Reardon, Lisk, Esser, Alexander, McMorris and Mitchell).

**Brief History:**

**Committee Activity:** Judiciary: 3/22/99, 3/29/99 [DP].

---

### SENATE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, Goings, Hargrove, Haugen, Johnson, Long, McCaslin, Roach and Thibaudeau.

**Staff:** Dick Armstrong (786-7460)

**Background:** In a civil action for damages of not more than \$10,000, certain procedures apply when a party makes an offer of settlement prior to trial. If the case goes to trial after an offer of settlement has been made, the prevailing party is awarded reasonable attorney fees and costs.

The prevailing party is determined by who improved his or her position at trial when compared to the offer of settlement. The plaintiff is the prevailing party if he or she is awarded damages that at least equal the amount the plaintiff offered in settlement. The defendant is the prevailing party if the amount awarded is zero or is not more than the defendant's offer of settlement.

**Summary of Bill:** All public works contract disputes are subject to the offer-of-settlement and prevailing party attorney fees law. The \$250,000 limit is removed.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** The bill will not result in spurious claims; the offer of settlement acts as a deterrent to such claims. The bill requires each side to a lawsuit to carefully analyze the

merits of their claims. The bill encourages settlements. The statute now works well and should be expanded.

**Testimony Against:** Please take a close look at this bill. Colleges are concerned because the bill will be an incentive to spurious claims. There will be a negative impact on construction budgets.

**Testified:** Dave Ducharme, Arnie Hedeem, Chip Graeber, Dan Cain, Utility Contractors of Washington (pro); Larry Ganders, WSU (con).