
SUBSTITUTE HOUSE BILL 2863

State of Washington

56th Legislature

2000 Regular Session

By House Committee on Transportation (originally sponsored by Representatives Cairnes, Keiser, Benson, Hatfield, Edwards and Kagi)

Read first time 02/07/2000. Referred to Committee on .

1 AN ACT Relating to insurance coverage for regional transit
2 authorities; and amending RCW 81.112.060 and 48.30.270.

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

4 **Sec. 1.** RCW 81.112.060 and 1992 c 101 s 6 are each amended to read
5 as follows:

6 An authority shall have the following powers:

7 (1) To establish offices, departments, boards, and commissions that
8 are necessary to carry out the purposes of the authority, and to
9 prescribe the functions, powers, and duties thereof.

10 (2) To appoint or provide for the appointment of, and to remove or
11 to provide for the removal of, all officers and employees of the
12 authority.

13 (3) To fix the salaries, wages, and other compensation of all
14 officers and employees of the authority.

15 (4) To employ such engineering, legal, financial, or other
16 specialized personnel as may be necessary to accomplish the purposes of
17 the authority.

18 (5) To determine risks, hazards, and liabilities in order to obtain
19 insurance consistent with these determinations. This insurance may

1 include any types of insurance covering, and for the benefit of, one or
2 more parties with whom the authority contracts for any purpose, and
3 insurance for the benefit of its board members, authority officers, and
4 employees to insure against liability for acts or omissions while
5 performing or in good faith purporting to perform their official
6 duties. All insurance obtained for construction of authority projects
7 with a total project cost exceeding one hundred million dollars may be
8 acquired by bid or by negotiation through December 31, 2006. In order
9 to allow the authority flexibility to secure appropriate insurance by
10 negotiation, the authority is exempt from RCW 48.30.270.

11 **Sec. 2.** RCW 48.30.270 and 1983 2nd ex.s. c 1 s 6 are each amended
12 to read as follows:

13 (1) No officer or employee of this state, or of any public agency,
14 public authority or public corporation except a public corporation or
15 public authority created pursuant to agreement or compact with another
16 state, and no person acting or purporting to act on behalf of such
17 officer or employee, or public agency or public authority or public
18 corporation, shall, with respect to any public building or construction
19 contract which is about to be, or which has been competitively bid,
20 require the bidder to make application to, or to furnish financial data
21 to, or to obtain or procure, any of the surety bonds or contracts of
22 insurance specified in connection with such contract, or specified by
23 any law, general, special or local, from a particular insurer or agent
24 or broker.

25 (2) No such officer or employee or any person, acting or purporting
26 to act on behalf of such officer or employee shall negotiate, make
27 application for, obtain or procure any of such surety bonds or
28 contracts of insurance, except contracts of insurance for builder's
29 risk or owner's protective liability, which can be obtained or procured
30 by the bidder, contractor or subcontractor.

31 (3) This section shall not be construed to prevent the exercise by
32 such officer or employee on behalf of the state or such public agency,
33 public authority, or public corporation of its right to approve the
34 form, sufficiency or manner or execution of the surety bonds or
35 contracts of insurance furnished by the insurer selected by the bidder
36 to underwrite such bonds, or contracts of insurance.

1 (4) Any provisions in any invitation for bids, or in any of the
2 contract documents, in conflict with this section are declared to be
3 contrary to the public policy of this state.

4 (5) A violation of this section shall be subject to the penalties
5 provided by RCW 48.01.080.

6 (6) This section shall not apply to:

7 (a) The public nonprofit corporation authorized under RCW
8 67.40.020; or

9 (b) A regional transit authority authorized under RCW 81.112.030.

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