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HOUSE BILL 2863

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State of Washington                      56th Legislature                      2000 Regular Session

By Representatives Cairnes, Keiser, Benson, Hatfield, Edwards and Kagi

Read first time 01/21/2000. Referred to Committee on Transportation.

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 authority projects may be acquired  
7 by bid or by negotiation. In order to allow the authority flexibility  
8 to secure appropriate insurance by negotiation, the authority is exempt  
9 from RCW 48.30.270.

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

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

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

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

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

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

3 (6) This section shall not apply to:

4 (a) The public nonprofit corporation authorized under RCW  
5 67.40.020; or

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

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