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**ENGROSSED SUBSTITUTE HOUSE BILL 1127**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives B. Sullivan, Rodne, P. Sullivan, Jarrett, Kirby, Nixon, McCoy and Shabro)

READ FIRST TIME 02/21/05.

1       AN ACT Relating to public building or construction contracts;  
2 amending RCW 48.30.270; repealing RCW 53.08.145; repealing 2003 c 323  
3 s 2; repealing 2003 c 323 ss 3 and 4 (uncodified); and repealing 2000  
4 c 143 s 3 (uncodified).

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

6       **Sec. 1.** RCW 48.30.270 and 2003 c 323 s 1 are each amended to read  
7 as follows:

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

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

7 (3) This section shall not be construed to prevent the exercise by  
8 such officer or employee on behalf of the state or such public agency,  
9 public authority, or public corporation of its right to approve the  
10 form, sufficiency or manner or execution of the surety bonds or  
11 contracts of insurance furnished by the insurer selected by the bidder  
12 to underwrite such bonds, or contracts of insurance.

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

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

18 (6) This section shall not apply to((+

19 ~~(a) The public nonprofit corporation authorized under RCW~~  
20 ~~67.40.020;~~

21 ~~(b) Projects in excess of one hundred million dollars for port~~  
22 ~~districts formed under chapter 53.04 RCW;~~

23 ~~(c) A regional transit authority authorized under RCW 81.112.030;~~  
24 ~~or~~

25 ~~(d) Projects in excess of one hundred million dollars for counties~~  
26 ~~with a population over one million, for projects administered for~~  
27 ~~public hospitals)) county governments, city governments, public~~  
28 ~~nonprofit corporations authorized under RCW 67.40.020, port districts~~  
29 ~~authorized under chapter 53.04 RCW, or regional transit authorities~~  
30 ~~authorized under RCW 81.112.030, when the actual or estimated aggregate~~  
31 ~~value of a public construction project exclusive of insurance and~~  
32 ~~surety costs, exceeds two hundred million dollars.~~

33 For purposes of applying the two hundred million dollar threshold  
34 in this subsection, "public construction project" means projects with  
35 phases, segments, or component parts relating to a common geographic  
36 site or public transportation system. "Public construction project"  
37 does not mean the aggregation of unrelated construction projects.

1        NEW SECTION.   **Sec. 2.**   The following acts or parts of acts are each  
2 repealed:

3        (1) 2003 c 323 s 2;

4        (2) 2003 c 323 s 3 (uncodified);

5        (3) 2003 c 323 s 4 (uncodified);

6        (4) RCW 53.08.145 (Insurance--Determination of risks, hazards,  
7 liabilities--Acquisition of appropriate insurance) and 2000 c 143 s 1;  
8 and

9        (5) 2000 c 143 s 3 (uncodified).

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