
SUBSTITUTE HOUSE BILL 1127

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 and 48.30.270; providing an effective date; and
3 providing an expiration date.

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

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

7 (1) No officer or employee of this state, or of any public agency,
8 public authority or public corporation except a public corporation or
9 public authority created pursuant to agreement or compact with another
10 state, and no person acting or purporting to act on behalf of such
11 officer or employee, or public agency or public authority or public
12 corporation, shall, with respect to any public building or construction
13 contract which is about to be, or which has been competitively bid,
14 require the bidder to make application to, or to furnish financial data
15 to, or to obtain or procure, any of the surety bonds or contracts of
16 insurance specified in connection with such contract, or specified by
17 any law, general, special or local, from a particular insurer or agent
18 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. A port district may only
23 combine two or more projects to exceed the one hundred million dollar
24 threshold if all of the projects are authorized by the governing board
25 of the port district before July 1, 2005;

26 (c) A regional transit authority authorized under RCW 81.112.030;
27 or

28 (d) Projects in excess of one hundred million dollars for counties
29 with a population over one million, for projects administered for
30 public hospitals or wastewater treatment and conveyance systems.

31 **Sec. 2.** RCW 48.30.270 and 2003 c 323 s 2 are each amended to read
32 as follows:

33 (1) No officer or employee of this state, or of any public agency,
34 public authority or public corporation except a public corporation or
35 public authority created pursuant to agreement or compact with another
36 state, and no person acting or purporting to act on behalf of such
37 officer or employee, or public agency or public authority or public

1 corporation, shall, with respect to any public building or construction
2 contract which is about to be, or which has been competitively bid,
3 require the bidder to make application to, or to furnish financial data
4 to, or to obtain or procure, any of the surety bonds or contracts of
5 insurance specified in connection with such contract, or specified by
6 any law, general, special or local, from a particular insurer or agent
7 or broker.

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

14 (3) This section shall not be construed to prevent the exercise by
15 such officer or employee on behalf of the state or such public agency,
16 public authority, or public corporation of its right to approve the
17 form, sufficiency or manner or execution of the surety bonds or
18 contracts of insurance furnished by the insurer selected by the bidder
19 to underwrite such bonds, or contracts of insurance.

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

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

25 (6) This section shall not apply to:

26 (a) The public nonprofit corporation authorized under RCW
27 67.40.020;

28 (b) A regional transit authority authorized under RCW 81.112.030;
29 or

30 (c) Projects in excess of one hundred million dollars for counties
31 with a population over one million, for projects administered for
32 public hospitals or wastewater treatment and conveyance systems.

33 NEW SECTION. **Sec. 3.** Section 1 of this act expires December 31,
34 2006.

1 NEW SECTION. **Sec. 4.** Section 2 of this act takes effect December
2 31, 2006.

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