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**SUBSTITUTE SENATE BILL 6022**

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**State of Washington**

**59th Legislature**

**2005 Regular Session**

**By** Senate Committee on Financial Institutions, Housing & Consumer Protection (originally sponsored by Senator Prentice)

READ FIRST TIME 03/02/05.

1 AN ACT Relating to surety bonds or insurance for public building or  
2 construction contracts; amending RCW 48.30.270; repealing RCW  
3 53.08.145; and repealing 2000 c 143 s 3 (uncodified).

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;~~

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)) public construction projects, when the actual or~~  
28 ~~estimated aggregate value of the project, exclusive of insurance and~~  
29 ~~surety costs, exceeds two hundred million dollars. For purposes of~~  
30 ~~applying the two hundred million dollar threshold set forth in this~~  
31 ~~subsection, the term "public construction project" means a project that~~  
32 ~~has a public owner and has phases, segments, or component parts~~  
33 ~~relating to a common geographic site or public transportation system,~~  
34 ~~but does not include the aggregation of unrelated construction~~  
35 ~~projects.~~

36 NEW SECTION. Sec. 2. RCW 53.08.145 (Insurance--Determination of

1 risks, hazards, liabilities--Acquisition of appropriate insurance) and  
2 2000 c 143 s 1 are each repealed.

3 NEW SECTION. **Sec. 3.** 2000 c 143 s 3 (uncodified) is repealed.

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