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**Transportation Committee**

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**HB 1747**

**Brief Description:** Removing the deadline for regional transit authorities to acquire insurance by bid or by negotiation on certain projects.

**Sponsors:** Representatives Simpson and Rodne.

**Brief Summary of Bill**

- Allows regional transit authorities to continue to obtain owner controlled insurance for construction projects that cost over \$100 million by repealing the expiration date on their authority to obtain such insurance.

**Hearing Date:** 2/5/07

**Staff:** Kathryn Leathers (786-7114).

**Background:**

Regional transit authorities (RTA) may obtain insurance consistent with the risks, hazards, and liabilities of their projects. RTAs may also purchase insurance for the benefit of its board members, authority officers, and employees, to insure against liability for omissions or acts that are performed in good faith and as part of their official duties.

For construction projects that cost over \$100 million, regional transit authorities were authorized to obtain owner controlled insurance policies through the Owner Controlled Insurance Program (OCIP) until December 31, 2006. An OCIP policy permits a project owner to obtain a single insurance policy for all of its subcontractors, instead of each subcontractor purchasing separate policies.

**Summary of Bill:**

Regional transit authorities (RTA) are permitted to continue obtaining owner controlled insurance for construction projects that cost over \$100 million. The expiration date of December 31, 2006, on an RTA's authority to obtain such insurance is removed and no new expiration date is imposed.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.