SUBSTITUTE HOUSE BILL 1765

State of Washington 60th Legislature 2007 Regular Session

By House Committee on Judiciary (originally sponsored by Representatives Lantz, Springer, Williams, Rodne and Moeller)

READ FIRST TIME 2/28/07.

- 1 AN ACT Relating to claims under a construction contract; amending
- 2 RCW 4.24.370 and 4.24.380; and adding a new section to chapter 4.24
- 3 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** A new section is added to chapter 4.24 RCW 6 to read as follows:
- 7 (1) Any clause in a construction contract that purports to waive,
- 8 release, or extinguish the claim rights of a contractor, subcontractor,
- 9 or supplier to damages or an equitable adjustment based on failure to
- 10 submit claim notice or claim-related documentation in a specified time
- 11 frame or form is waived to the extent that the contractor,
- 12 subcontractor, or supplier shows by a preponderance of the evidence
- 13 that:
- 14 (a) The party to whom the claim is being made had knowledge of and
- 15 consented to the actions of the contractor, subcontractor, or supplier
- 16 that are the basis of the claim; and
- 17 (b) The actions of the contractor, subcontractor, or supplier that
- 18 are the basis of the claim benefited the party to whom the claim is
- 19 being made.

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- 1 (2) Any claim right asserted under subsection (1) of this section 2 must be submitted in writing within thirty calendar days after a 3 project's substantial completion, as defined in the contract.
 - (3) For purposes of this section, "construction contract" has the same meaning as the term is defined in RCW 4.24.370.

4 5

- 6 **Sec. 2.** RCW 4.24.370 and 1979 ex.s. c 264 s 2 are each amended to read as follows:
- "Construction contract" for purposes of RCW 4.24.360 and section 1
 of this act means any contract or agreement for the construction,
 alteration, repair, addition to, subtraction from, improvement to, or
 maintenance of, any building, highway, road, railroad, excavation, or
 other structure, project, development, or improvement attached to real
 estate, including moving and demolition in connection therewith.
- 14 **Sec. 3.** RCW 4.24.380 and 1979 ex.s. c 264 s 3 are each amended to read as follows:
- 16 <u>(1)</u> The provisions of RCW 4.24.360 shall apply to contracts or agreements entered into after September 1, 1979.
- 18 (2) Section 1 of this act applies to contracts or agreements
 19 entered into on or after the effective date of this act.

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