SENATE BILL REPORT
SB 5186

As of February 5, 2013

Title: An act relating to contractor's bond.

Brief Description: Concerning contractor's bond.

Sponsors: Senators Roach, Conway, Benton, Chase and Shin.

Brief History:
  Committee Activity: Governmental Operations: 2/04/13.

SENATE COMMITTEE ON GOVERNMENTAL OPERATIONS

  Staff: Sam Thompson (786-7413)

  Background: When contracting for public works projects, state agencies and local governments must require contractors to provide surety bonds, usually equal to the full contract price. These bonds, sometimes called contractor bonds, are issued by surety companies, which agree to provide funds to complete contracts if contractors default. Contractor bonds must usually be made payable to the state. However, a city or town may optionally require that contractor bonds be made payable to the city or town, rather than the state.

  Summary of Bill: Water-sewer districts may require that contractor bonds be made payable to the water-sewer district, rather than the state. Several nonsubstantive technical changes are made.

  Appropriation: None.

  Fiscal Note: Not requested.

  Committee/Commission/Task Force Created: No.

  Effective Date: The bill contains several effective dates. Please refer to the bill.

  Staff Summary of Public Testimony: PRO: This practical bill simplifies the contractor bonding process and provides consistency with current law applying to cities and towns. The project owner, rather than the state, should be the recipient of bond proceeds.

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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.

Persons Testifying: PRO: Joe Daniels, WA Assn. of Sewer & Water Districts; Mike Hanis, Soos Creek Water & Sewer District; Steve Lindstrom, Sno-King Water District Coalition.