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SUBSTITUTE SENATE BILL 6192

State of Washington 68th Legislature 2024 Regular Session

By Senate Labor & Commerce (originally sponsored by Senators King, Stanford, Mullet, and Nobles)

- AN ACT Relating to additional work and change orders on public and private construction projects; and amending RCW 39.04.360.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 **Sec. 1.** RCW 39.04.360 and 2009 c 193 s 1 are each amended to 5 read as follows:
 - later than ((thirty)) 30 days after satisfactory completion of any additional work or portion of any additional work by a contractor, subcontractor, or supplier on a public works project or private construction project, except private residential projects of 12 units or less, and receipt by the owner, state, or municipality of a request from the contractor for issuance of a change order to the contract, the owner, ((the)) state, or municipality shall issue a change order to the contract for the full dollar amount of the work not in dispute ((between the state or municipality and)) to the contractor. Within 10 days of receipt of a change order from the owner, state, municipality, or upper-tier contractor, the contractor or subcontractor must issue change orders to lower-tier subcontractors impacted by the change. If the owner, state, or municipality does not issue such a change order within the ((thirty)) 30 days, or the contractor or upper-tier subcontractor does not issue a change order to lower-tier subcontractors within 10 days after
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receipt of the approved change order, interest must accrue on the 1 dollar amount of the additional work satisfactorily completed and not 2 in dispute until a change order is issued. The owner, contractor, 3 subcontractor, state, or municipality shall pay ((this)) their 4 proportionate share of the interest at a rate of one percent per 5 6 month. For the purposes of this section, as it pertains to obligations of an owner, state, or municipality, additional work is 7 work beyond the scope defined in the contract between the contractor 8 9 and the <u>owner</u>, state, or municipality.

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(2) No later than 30 days after satisfactory completion of any additional work or portion of any additional work authorized by the owner, state, or municipality and a request by a subcontractor or supplier, the contractor must request a change order from the owner, state, or municipality. A lower-tier subcontractor or supplier must request a change order from the upper-tier contractor 30 days after the completion of the additional work and a request from the lowertier subcontractor. If a contractor or subcontractor has requested the change order from the owner, upper-tier contractor, state, or municipality within 30 days of the request from the subcontractor or supplier, the contractor or subcontractor is not liable for any interest on the unpaid dollar amount for any additional work satisfactorily completed and not in dispute if the owner, upper-tier contractor, state, or municipality has not issued the requested change order. This section does not provide any rights to a contractor, subcontractor, or supplier against a party with whom they are not a party to a written contract.

(3) An aggrieved party may bring a civil action for violations of this section in a court of competent jurisdiction for appropriate relief, including interest and reasonable attorneys' fees and costs.

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