

1 **SENATE FLOOR VERSION**

2 April 5, 2011

3 ENGROSSED HOUSE  
4 BILL NO. 1075

By: Newell of the House

and

Jolley of the Senate

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8 An Act relating to public construction contracts;  
9 amending 61 O.S. 2001, Section 113.1, as amended by  
10 Section 19, Chapter 271, O.S.L. 2006 (61 O.S. Supp.  
11 2010, Section 113.1), which relates to partial  
12 payment and retainage; modifying requirements related  
13 to retainage; modifying provisions related to  
14 reduction of retained amounts; and providing an  
15 effective date.

16 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

17 SECTION 1. AMENDATORY 61 O.S. 2001, Section 113.1, as  
18 amended by Section 19, Chapter 271, O.S.L. 2006 (61 O.S. Supp. 2010,  
19 Section 113.1), is amended to read as follows:

20 Section 113.1 A. A public construction contract shall provide  
21 for partial payment based upon work completed. The contract shall  
22 provide that up to ~~ten percent (10%)~~ five percent (5%) of all  
23 partial payments made shall be withheld as retainage. ~~At any time~~  
24 ~~the contractor has completed in excess of fifty percent (50%) of the~~  
~~total contract amount, the retainage shall be reduced to five~~  
~~percent (5%) of the amount earned to date if the owner or owner's~~

1 ~~duly authorized representative has determined that satisfactory~~  
2 ~~progress is being made, and upon approval by the surety.~~

3 B. The Department of Transportation or the Oklahoma Turnpike  
4 Authority shall not withhold retainage on public construction  
5 contracts awarded by the Department or the Authority.

6 C. The Department of Transportation shall not withhold  
7 retainage or require any bond on projects awarded to railroads on  
8 the railroad's privately owned or operated rail property.

9 SECTION 2. This act shall become effective November 1, 2011.

10 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & COMMERCE, dated 3-31-11  
11 - DO PASS.

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