

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 HOUSE BILL 1288

 By: West (Kevin

7 AS INTRODUCED

8 An Act relating to public building and public works;
9 amending 61 O.S. 2011, Sections 113.1 and 226, which
10 relate to public construction contracts; exempting
 certain contracts from retainage; and providing an
 effective date.

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

14 SECTION 1. AMENDATORY 61 O.S. 2011, Section 113.1, is
15 amended to read as follows:

16 Section 113.1 A. A public construction contract shall provide
17 for partial payment based upon work completed. ~~The A~~ contract shall
18 not subject to a bond pursuant to Section 1 of this title may
19 provide that up to five percent (5%) of all partial payments made
20 shall be withheld as retainage.

21 B. The Department of Transportation or the Oklahoma Turnpike
22 Authority shall not withhold retainage on public construction
23 contracts awarded by the Department or the Authority.

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

4 SECTION 2. AMENDATORY 61 O.S. 2011, Section 226, is
5 amended to read as follows:

6 Section 226. A. A construction contract not subject to a bond
7 pursuant to Section 1 of this title may include a provision for the
8 retainage of a portion of payment due. Such retainage is not to
9 exceed five percent (5%) of the amount of the payment due.

10 B. A subcontract not subject to a bond pursuant to Section 1 of
11 this title may include a provision for the retainage of a portion of
12 payment due. Such retainage is not to exceed five percent (5%) of
13 the amount of the payment due.

14 C. No later than twenty-one (21) calendar days after a
15 certificate of substantial completion is issued for the project or
16 separate usable phase of the project and upon adequate performance
17 of the prime contractor and with approval of any applicable surety,
18 retainage shall be released by the owner to the prime contractor
19 less an amount no greater than one hundred fifty percent (150%) of
20 the estimated costs to correct any incomplete or defective work as
21 identified, itemized, and attached to the certificate of substantial
22 completion. All remaining funds shall be released as each
23 deficiency is satisfactorily completed. The prime contractor shall
24 release within ten (10) calendar days of receipt, the share of those

1 funds that have been withheld from other entities. All other
2 entities shall release within seven (7) calendar days of receipt,
3 the share of those funds that have been withheld from other
4 entities.

5 SECTION 3. This act shall become effective November 1, 2017.

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7 COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 03/01/2017 - DO PASS,
8 As Coauthored.

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