

1 STATE OF OKLAHOMA

2 1st Session of the 57th Legislature (2019)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 1114

By: West (Kevin) of the House
and
Pederson of the Senate

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10 CONFERENCE COMMITTEE SUBSTITUTE

11 An Act relating to public buildings and public works;
12 amending 61 O.S. 2011, Section 226, which relates to
13 the Public Competitive Building Act of 1974;
14 modifying retainage on certain public contracts; and
15 providing an effective date.

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

17 SECTION 1. AMENDATORY 61 O.S. 2011, Section 226, is
18 amended to read as follows:

19 Section 226. A. A construction contract may include a
20 provision for the retainage of a portion of payment due. Such
21 retainage is not to exceed five percent (5%) of the amount of the
22 payment due. If a construction contract is subject to a bond
23 pursuant to this title and when the work of the contractor has been
24 determined by the holder to be at least fifty percent (50%)

1 complete, and with respect to the balance of the work to be
2 performed by the contractor, the retainage amount shall be two and
3 one-half percent (2.5%).

4 B. A subcontract ~~may~~ shall include a provision for the
5 retainage of a portion of payment due. Such retainage ~~is not to~~
6 shall not exceed five percent (5%) of the amount of the payment due.
7 If a construction subcontract is subject to a bond pursuant to this
8 title and when the work of the subcontractor has been determined by
9 the holder to be at least fifty percent (50%) complete, and with
10 respect to the balance of the work to be performed by the
11 subcontractor, the retainage amount shall be two and one-half
12 percent (2.5%).

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

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

4 SECTION 2. This act shall become effective November 1, 2019.

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6 57-1-8905 LRB 05/07/19
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