

1 **SENATE FLOOR VERSION**

2 February 11, 2025

3 SENATE BILL NO. 739

By: Stewart

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5  
6 An Act relating to construction contracts; amending  
7 61 O.S. 2021, Section 113.1, as amended by Section  
8 24, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2024,  
9 Section 113.1), which relates to retainage;  
10 prohibiting certain entities from withholding  
11 retainage for certain contracts; and providing an  
12 effective date.

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

14 SECTION 1. AMENDATORY 61 O.S. 2021, Section 113.1, as  
15 amended by Section 24, Chapter 238, O.S.L. 2022 (61 O.S. Supp. 2024,  
16 Section 113.1), is amended to read as follows:

17 Section 113.1. A. A public construction contract shall provide  
18 for partial payment based upon work completed. The contract shall  
19 provide that up to five percent (5%) of all partial payments made  
20 shall be withheld as retainage until the project is fifty percent  
21 (50%) complete as determined by the awarding agency. When the  
22 awarding public agency determines that the project is at least fifty  
23 percent (50%) complete, the retainage amount shall be two and one-  
24 half percent (2.5%) with respect to the balance of the work.

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

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

7 D. Construction contracts or subcontracts subject to a bond  
8 shall not withhold retainage.

9 SECTION 2. This act shall become effective November 1, 2025.

10 COMMITTEE REPORT BY: COMMITTEE ON LOCAL AND COUNTY GOVERNMENT  
11 February 11, 2025 - DO PASS  
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