

STATE OF OKLAHOMA

1st Session of the 60th Legislature (2025)

SENATE BILL 739

By: Stewart

AS INTRODUCED

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

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

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

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

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

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

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

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

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