

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.

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.

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