

**Effective 5/3/2023**

**63G-10-402 Department of Transportation construction contract claim settlement agreement approval and review.**

- (1) As used in this section:
  - (a) "Claims review board" means a committee established by the department to hear unresolved claims and make recommendations for settlement to the deputy director of the department.
  - (b) "Department" means the Department of Transportation created in Section 72-1-201.
  - (c) "Settlement agreement" includes stipulations, consent decrees, settlement agreements, or other legally binding documents or representations resolving a dispute between the department and another party when the department is required to pay money or required to take legally binding action.
- (2) The department shall obtain the approval of the Transportation Commission or the governor or review by the Legislative Management Committee of a settlement agreement that involves a construction contract claim in accordance with this section.
- (3) A construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$250,000 to implement shall be presented to the Transportation Commission for approval or rejection.
- (4) A construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$1,000,000 to implement shall be presented:
  - (a) to the Transportation Commission for approval or rejection; and
  - (b) to the governor for approval or rejection.
- (5)
  - (a) A construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$2,000,000 to implement shall be presented:
    - (i) to the Transportation Commission for approval or rejection;
    - (ii) to the governor for approval or rejection; and
    - (iii) if the construction contract claim settlement agreement is approved by the Transportation Commission and the governor, to the Legislative Management Committee.
  - (b) The Legislative Management Committee may recommend approval or rejection of the construction contract claim settlement agreement.
- (6)
  - (a) The department may not enter into a construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$250,000 to implement until the Transportation Commission has approved the agreement.
  - (b) The department may not enter into a construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$1,000,000 to implement until the Transportation Commission and the governor have approved the agreement.
  - (c) The department may not enter into a construction contract claim settlement agreement that is being recommended by the department's claims review board that might cost government entities more than \$2,000,000 to implement until:
    - (i) the Transportation Commission has approved the agreement;
    - (ii) the governor has approved the agreement; and
    - (iii) the Legislative Management Committee has reviewed the agreement.

- (7) The department shall, for each settlement agreement approved under this section for an amount greater than \$250,000 but less than \$2,000,000, give notice to the Legislative Management Committee by sending a settlement agreement report to the president of the Senate, the speaker of the House of Representatives, and the director of the Office of Legislative Research and General Counsel within three business days of executing the agreement.

Amended by Chapter 535, 2023 General Session