## MAINE STATE LEGISLATURE

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# 116th MAINE LEGISLATURE

### FIRST REGULAR SESSION-1993

Legislative Document

No. 464

H.P. 361

House of Representatives, February 11, 1993

An Act to Amend the Procedure for Settling Disputes on Construction Contract Claims.

Submitted by the Department of Administrative and Financial Services pursuant to Joint Rule 24.

Reference to the Committee on State and Local Government suggested and ordered printed.

JOSEPH W. MAYO, Clerk

Presented by Representative CAMPBELL of Holden. Cosponsored by Representative: DAGGETT of Augusta.

### Be it enacted by the People of the State of Maine as follows:

	Sec. 1. 5 MRSA §1749, 2nd ¶, as enacted by PL 1967, c. 203, is
4	amended to read:
6	If, in the construction of any public work, including
	buildings, highways, bridges, dams and drainage structures,-which
8	that the State of-Maine does by contract, there arises a dispute
	between the State of-Maine and the contractor which-cannot that
10	can not be settled, then this dispute shall may be submitted to .
	at the discretion of the Director of the Bureau of General
12	Services, to informal mediation or to binding arbitration and
	both-the-State-of-Maine-and-the-contractor-shall-be-bound-by-the
14	decision-of-the-arbitrator.
16	Sec. 2. 5 MRSA §1749, 3rd ¶, as enacted by PL 1967, c. 203, is

Sec. 2. 5 MRSA §1749, 3rd  $\P$ , as enacted by PL 1967, c. 203, is repealed.

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#### STATEMENT OF FACT

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This bill repeals the requirement that all disputes arising out of the performance of state construction contracts be resolved through binding arbitration conducted by the American Arbitration Association. The bill authorizes the Director of the Bureau of General Services to agree to send those disputes either to informal mediation, to binding arbitration, or both, and the director makes the decision regarding the choice of the mediation or arbitration.

Compared Statement of Statement