



**Substitute House Bill No. 6598**

**Public Act No. 11-149**

**AN ACT CONCERNING OFFERS OF COMPROMISE IN CONSTRUCTION CONTRACT ARBITRATION PROCEEDINGS, MEDIATION AND ARBITRATION OF CONSTRUCTION CONTRACTS, AND ETHICAL VIOLATIONS CONCERNING BIDDING AND STATE CONTRACTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective October 1, 2011*) (a) For the purposes of this section, "construction contract" means any contract entered into on or after October 1, 2011, for construction, renovation or rehabilitation in this state, including any improvements to real property that are associated with such construction, renovation or rehabilitation, or any subcontract for construction, renovation or rehabilitation between an owner and a contractor, a contractor and a subcontractor or a subcontractor and another subcontractor. "Construction contract" does not include (1) any public works or other contract entered into with this state, any other state or the United States, or (2) a contract or project funded or insured by the United States Department of Housing and Urban Development.

(b) After a party to a construction contract has made a demand for arbitration pursuant to the dispute resolution provision of the construction contract, such party may, not more than once and at any time before a final award is rendered by the arbitration panel, send by

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certified mail, return receipt requested, to the opposing party or the opposing party's attorney a written offer of compromise, signed by the party or the party's attorney and directed to the opposing party or attorney, offering to settle all of the claims set forth in the arbitration for a sum certain. Within thirty days after being notified of the offer of compromise and before a final award is rendered by the arbitration panel, the opposing party or the opposing party's attorney may reply, by certified mail, return receipt requested, with a written acceptance of the offer of compromise agreeing to settle all claims set forth in the arbitration for the sum certain specified in the offer of compromise. If the opposing party or attorney does not accept the offer of compromise within thirty days after being notified of the offer of compromise and before a final award is rendered by the arbitration panel, the offer of compromise shall be considered rejected and not subject to acceptance under this section.

(c) After issuance of a final arbitration award and upon the application of any party to a construction contract to confirm, vacate, modify or correct the award, any party who made an offer of compromise pursuant to subsection (b) of this section which the opposing party failed to accept may file with the court proof of the party's offer of compromise. If the court confirms, modifies or corrects the arbitration award and ascertains from the record that the party has recovered an arbitration award in an amount equal to or greater than the sum certain specified in the party's offer of compromise, the court shall add to the amount of the award eight per cent annual interest on the total amount of such award, in addition to any interest awarded by the arbitrator. The interest shall be computed from the date the original arbitration demand for the subject proceeding was filed. The court shall further award reasonable attorney's fees and costs for bringing the action to confirm, vacate, modify or correct the award and shall render judgment accordingly.

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(d) This section shall not be interpreted to abrogate or modify the contractual rights of any party concerning the recovery of attorney's fees in accordance with the provisions of any written contract between the parties to the arbitration.

Sec. 2. Section 42-158m of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2011*):

Any provision in a construction contract for the performance of work on a construction site located in this state that purports to require that any dispute arising under the construction contract be mediated, arbitrated or otherwise adjudicated in or under the laws of a state other than Connecticut shall be void and of no effect, regardless of whether the construction contract was executed in this state.

Sec. 3. Subsection (c) of section 1-101nn of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2011*):

(c) Any person who [violates] is found in violation of any provision of this section by the Office of State Ethics pursuant to section 1-82 may be deemed a nonresponsible bidder by a state agency, board, commission or institution or quasi-public agency.

Approved July 8, 2011