



General Assembly

Amendment

January Session, 2005

LCO No. 6346

SB0094806346SDO

Offered by:
SEN. COLEMAN, 2nd Dist.

To: Subst. Senate Bill No. 948

File No. 603

Cal. No. 439

"AN ACT CONCERNING THE FAILURE OF A MUNICIPALITY TO OBTAIN A BOND FROM CERTAIN CONTRACTORS, PREPAID HOME HEATING OIL CONTRACTS AND HEAT AND UTILITY SURCHARGE CLAUSES IN RESIDENTIAL LEASES."

1 After the last section, add the following and renumber sections and
2 internal references accordingly:

3 "Sec. 501. Subsection (b) of section 49-41a of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective*
5 *October 1, 2005*):

6 (b) If payment is not made by the general contractor or any of its
7 subcontractors in accordance with such requirements, the
8 subcontractor shall set forth his claim against the general contractor
9 and the subcontractor of a subcontractor shall set forth its claim
10 against the subcontractor through notice by registered or certified
11 mail. Ten days after the receipt of that notice, the general contractor
12 shall be liable to its subcontractor, and the subcontractor shall be liable
13 to its subcontractor, for interest on the amount due and owing at the

14 rate of one per cent per month. In addition, if a surety bond is not in
15 place, the general contractor, upon written demand of its
16 subcontractor, or the subcontractor, upon written demand of its
17 subcontractor, shall be required to place funds in the amount of the
18 claim, plus interest of one per cent, in an interest-bearing escrow
19 account in a bank in this state, provided the general contractor or
20 subcontractor may refuse to place the funds in escrow on the grounds
21 that the subcontractor has not substantially performed the work
22 according to the terms of his or its employment. In the event that such
23 general contractor or subcontractor refuses to place such funds in
24 escrow, and the party making a claim against it under this section is
25 found to have substantially performed its work in accordance with the
26 terms of its employment in any arbitration or litigation to determine
27 the validity of such claim, then such general contractor or
28 subcontractor shall pay the attorney's fees of such party."