



General Assembly

January Session, 2007

Amendment

LCO No. 9511

HB0720209511HRO

Offered by:

REP. HAMZY, 78th Dist.
REP. CANDELORA, 86th Dist.
REP. DELGOBBO, 70th Dist.

REP. WILLIAMS, 68th Dist.
REP. CARON, 44th Dist.
REP. FREY, 111th Dist.

To: Subst. House Bill No. 7202

File No. 336

Cal. No. 289

"AN ACT CONCERNING THE DISCHARGING OF MECHANIC'S LIENS BY GENERAL CONTRACTORS, THE SUBSTITUTION OF SECURITIES IN LIEU OF RETAINAGE AND RETAINAGE LIMITS FOR CONSTRUCTION CONTRACTS."

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

3 "Sec. 501. Section 49-41b of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2007*):

5 When any public work is awarded by a contract for which a
6 payment bond is required by section 49-41 and such contract contains
7 a provision requiring the general or prime contractor under such
8 contract to furnish a performance bond in the full amount of the
9 contract price, the following shall apply:

10 (1) In the case of a contract advertised by the state Department of
11 Public Works or any other state agency, except as specified in

12 subdivision (2) of this section, (A) the awarding authority shall not
13 withhold more than ten per cent from any periodic or final payment
14 which is otherwise properly due to the general or prime contractor
15 under the terms of such contract and (B) any such general or prime
16 contractor shall not withhold from any subcontractor more than (i) ten
17 per cent from any periodic or final payment which is otherwise due to
18 the subcontractor or (ii) the amount withheld by the awarding
19 authority from such general or prime contractor under subparagraph
20 (A) of this subdivision, whichever is less. Notwithstanding the
21 provisions of this subdivision (1), the awarding authority shall
22 establish an early release program with respect to periodic payments
23 by general or prime contractors to subcontractors.

24 (2) In the case of a contract advertised by the state Department of
25 Transportation, (A) the department shall not withhold more than [two
26 and one-half] ten per cent from any periodic or final payment which is
27 otherwise properly due to the general or prime contractor under the
28 terms of such contract, and (B) any such general or prime contractor
29 shall not withhold more than [two and one-half] ten per cent from any
30 periodic or final payment which is otherwise due to any subcontractor.

31 (3) If the awarding authority is a municipality, (A) it shall not
32 withhold more than five per cent from any periodic or final payment
33 which is otherwise properly due to the general or prime contractor
34 under the terms of such contract, and (B) any such general or prime
35 contractor shall not withhold more than five per cent from any
36 periodic or final payment which is otherwise due to any
37 subcontractor."