



Senate

General Assembly

File No. 43

February Session, 2010

Senate Bill No. 131

Senate, March 16, 2010

The Committee on General Law reported through SEN. COLAPIETRO of the 31st Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING RETAINAGE.

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

1 Section 1. Section 42-158k of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2010*):

3 No construction contract may provide for any retainage in an
4 amount that exceeds [seven and one-half] five per cent of the estimated
5 amount of a progress payment for the life of the construction project.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2010</i>	42-158k
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GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill has no fiscal impact.

OLR Bill Analysis**SB 131*****AN ACT CONCERNING RETAINAGE.*****SUMMARY:**

This bill lowers the maximum retainage allowed in commercial construction contracts from 7.5% to 5%. "Retainage" is the amount withheld from progress payments conditioned on substantial or final completion of all work in accordance with a construction contract, but it does not include amounts withheld for failure to comply with construction plans or specifications.

EFFECTIVE DATE: October 1, 2010

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 17 Nay 0 (03/04/2010)