



**TESTIMONY
SCOTT BASSO
STEVE BASSO PLUMBING, HEATING & AIR CONDITIONING
CONNECTICUT HEATING & COOLING CONTRACTORS (CHCC)
BEFORE THE
GENERAL LAW COMMITTEE
FEBRUARY 16, 2010**

Good afternoon. My name is Scott Basso. I am on the Legislative Committee for the Connecticut Heating & Cooling Contractors Association (CHCC), a trade association whose objectives are to strengthen and further trade relations, attract, educate and train necessary manpower, represent members at all levels of government and review and establish quality standards and procedures. The association represents over 125 Heating & Cooling Companies in Connecticut

CHCC supports SB-131, An Act Concerning Retainage.

Allowing owners to retain up to 7.5% in retainage from construction contracts unfairly ties up revenues that could be put to better use by contractors. We therefore support reducing the retainage amount to 5%. This will help our bottom lines and allow us to use those funds to invest in our business and meet our payroll.

Under the current system, retainage is used by owners to help finance construction projects, which places a financial burden on contractors. Too often, retainage is held for a long period after our work is done and we don't have access to that capital. This is unfair and places a burden on small contractors, particularly during difficult economic times when money is tight and credit is not readily available.

Lowering the amount to 5% is reasonable given that owners have other remedies for managing contracts and ensuring that the work is done to their satisfaction. It will also lower project costs and make it more attractive for smaller contractors to bid on jobs.

For these reasons, we urge your support for SB-131.

For more information, please contact Jennifer Jennings at CHCC, 22 Skyview Terrace, Manchester, CT 06040 or jjennings@chcca.net, Tel., 860-533-1163.