

**STATEMENT IN SUPPORT OF RAISED BILL NO. 70 – AN ACT CONCERNING  
FAIRNESS IN CERTAIN COMMERCIAL  
CONSTRUCTION CONTRACTS  
PRESENTED TO THE GENERAL LAW COMMITTEE  
FEBRUARY 21, 2012**

Dear, Senator Doyle, Representative Taborsak and members of the General Law Committee:

The Mason Contractors Association of Connecticut (MCAC) would like to voice our support of Raised Bill No. 70- An Act Concerning Fairness in Certain Commercial Construction Contracts. The MCAC is an association of Connecticut-based masonry subcontractors and an affiliate organization of the International Council of Employers of Bricklayers and Allied Craftworkers.

Senate Bill 70 would amend the timely payment-fairness in financing law under commercial construction contracts. The changes, which would improve the relevant state statute, would require that, for all pending or approved change orders or directives, the minimum allowable rate of overhead and profit to be paid to any contractor or subcontractor who performs such work shall be not less than fifteen per cent (15%) of the total value of such work.

In addition, it would create a requirement that, at any time the cumulative sum of the total pending construction change orders or other pending change directives exceeds five per cent of the original total contract or subcontract cost, the contractor or subcontractors who have performed work under such pending change orders or directives are relieved of any express or implied duty to perform any additional changes to the work under the terms of such contract or subcontract.

Finally, the bill would also provide that each owner that enters into a contract under this section and fails or neglects to make payment to a contractor for labor and materials supplied under a contract, as required pursuant to subdivision (1) of subsection (a) of this section, shall, upon notice by any person who has not been paid by the contractor for such labor and materials supplied in the performance of the work under the contract, place funds in the amount of the claim, plus such interest of one per cent per month, in an interest-bearing escrow account in a bank in this state.

These amendments would make significant improvements to the timely processing of change orders and help to ensure that subcontractors receive timely and equitable payment for the work which is to be performed. We respectfully urge its passage.

FOR ADDITIONAL INFORMATION PLEASE CONTACT

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