

1 H.288

2 Introduced by Representatives Marcotte of Coventry, Batchelor of Derby,
3 Botzow of Pownal, Higley of Lowell, O’Sullivan of Burlington,
4 Smith of Derby, Strong of Albany, Sullivan of Dorset, Viens of
5 Newport City, and Young of Glover

6 Referred to Committee on

7 Date:

8 Subject: Commerce and trade; construction contracts; retainage

9 Statement of purpose of bill as introduced: This bill proposes to prohibit the
10 retention of any amount of payment due and owing for materials delivered for
11 a construction project.

12 An act relating to prohibiting the retention of any payment due and owing a
13 material supplier for a construction project

14 It is hereby enacted by the General Assembly of the State of Vermont:

15 Sec. 1. 9 V.S.A. § 4005 is amended to read:

16 § 4005. RETAINAGE

17 (a) If payments under a construction contract are subject to retainage, any
18 amounts ~~which~~ that have been retained during the performance of the contract
19 and ~~which~~ that are due to be released to the contractor upon final completion
20 shall be paid within 30 days after final acceptance of the work, not including

1 any payment for materials pertinent to the project that have been delivered,
2 accepted, and are covered by the manufacturer's warranty or graded to meet
3 industry standard, or both, except in the case of a materialman who is also
4 contracted to install a product he or she delivered.

5 (b) If an owner is not withholding retainage, a contractor may withhold
6 retainage from its subcontractor in accordance with their agreement. The
7 retainage shall be paid within 30 days after final acceptance of the work, not
8 including any payment for materials pertinent to the project that have been
9 delivered, accepted, and are covered by the manufacturer's warranty or graded
10 to meet industry standards, or both, except in the case of a materialman who is
11 also contracted to install a product he or she delivered.

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13 Sec. 2. EFFECTIVE DATE

14 This act shall take effect on July 1, 2017.