

General Assembly

Committee Bill No. 6666

January Session, 2019

LCO No. 4135



Referred to Committee on GOVERNMENT ADMINISTRATION AND ELECTIONS

Introduced by: (GAE)

AN ACT REQUIRING THE PROMPT PAYMENT OF CONTRACTORS.

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

- 1 Section 1. Section 4a-60j of the general statutes is repealed and the
- 2 following is substituted in lieu thereof (*Effective October 1, 2019*):
- 3 [A] <u>Unless otherwise agreed by the parties in the terms of a written</u>
- 4 contract, a small contractor shall receive payment on a contract
- 5 awarded to him <u>or her</u> under the provisions of sections 4a-60g to 4a-
- 6 60i, inclusive, no later than [thirty] <u>twenty-five</u> days from the due date
- 7 of any such payment on such contract.
- 8 Sec. 2. Subsection (a) of section 42-158j of the general statutes is
- 9 repealed and the following is substituted in lieu thereof (Effective
- 10 October 1, 2019):
- 11 (a) [Each] <u>Unless otherwise agreed by the parties in the terms of a</u>
- 12 <u>written construction contract, each</u> construction contract shall contain
- 13 the following provisions: (1) A requirement that the owner pay any
- 14 amounts due to any contractor in a direct contractual relationship with

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the owner, or due to any subcontractor or supplier in a direct contractual relationship with the contractor, whether for labor performed or materials furnished, not later than thirty days after the date any written request for such payment has been made to the owner by such contractor, subcontractor or supplier; (2) a requirement that the contractor pay any amounts due any subcontractor or supplier, whether for labor performed or materials furnished, not later than [thirty] twenty-five days after the date the contractor receives payment from the owner which encompasses labor performed or materials furnished by such subcontractor or supplier; and (3) a requirement that the contractor shall include in each of its subcontracts a provision requiring each subcontractor and supplier to pay any amounts due any of its subcontractors or suppliers, whether for labor performed or materials furnished, not later than [thirty] twenty-five days after the date such subcontractor or supplier receives a payment from the contractor which encompasses labor performed or materials furnished by such subcontractor or supplier.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2019	4a-60j
Sec. 2	October 1, 2019	42-158j(a)

Statement of Purpose:

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To exempt parties of certain commercial and state set-aside construction contracts from statutory prompt payment provisions if they explicitly agree to different payment terms in a written construction contract, and to shorten the time periods for required payment of general contractors and subcontractors on both public and private construction contracts from thirty days to twenty-five days, in certain cases.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: REP. HALL, 7th Dist.

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