



House Republican Staff Analysis

Bill: HF 458
Committee: Judiciary
Date: 3/24/2011
Member: Rep. Baltimore
Staff: Amanda Freel (1-5230)

Summary

Provides extra protection to the general contractor and subcontractor (or material supplier) on public projects where mechanics liens are not available.

Summary of Action

- Subcommittee 1/26/2011
 - Committee 2/23/2011 (11-10)
 - Passed House 3/24/11 (55-39)
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Section-by-Section Analysis

HF 458: Public corporation shall retain funds due to a supplier for material and labor. The Supplier of labor or materials must only give one type of notice, along with a certified statement that the notice was given. Principal contractor may request information from a subcontractor regarding payments made to the provider of labor or materials. Bill does not apply to claims for labor filed by employees of principal contractors or employees of subcontractors

Section I-Definitions

Principal contractor -those that have contracts directly with the public corporation

Subcontractor-those performing labor or furnishing materials to a public improvement that do not have direct contracts with the public corporation

Section II- Exceptions

- 1- Those performing labor or providing material to a subcontractor does not have a claim against the retainage or bond unless:
 - a. The principal contractor is notified in writing within 45 days of the first performance of labor or delivery of materials.
 - b. Claim is supported with a certified statement that the principal contractor was notified in writing.
- 2- Principal contractor is not prohibited from requesting information from a subcontractor regarding payments made for labor or materials
- 3- Does not apply to claims for labor from employees of principal contractor or subcontractor
- 4- Public corporation shall not retain any part of the unpaid fund due to the contractor because of any action by the contractor against the DOT.