April 11, 2001

H 1096. NO RETAINAGE/CERTAIN CONSTRUCTION CONTRACTS. *TO PROHIBIT THE WITHHOLDING OF RETAINAGE ON CONSTRUCTION PROJECTS WHEN CERTAIN BONDS ARE PROVIDED AND TO REQUIRE, IN CONNECTION WITH CERTAIN PRIVATE CONTRACTS FOR IMPROVEMENTS TO REAL PROPERTY, A LINE ITEM RELEASE OF RETAINAGE BASED ON THE PERCENTAGE OF WORK COMPLETED AND APPROVED.* Adds new article 3A to GS 44A to provide that retainage shall not be withheld from contractors or subcontractors in any public or private construction contract when the contractor or the subcontractor provides a performance or a payment bond in the amount of 100% of the construction contract. Under a private contract with total improvements to real property in excess of $100,000, the contractor must provide to the owner a schedule of values that contains a separate line item for each separate aspect of the work, and each subcontractor must provide the same to contractor. Contractor and subcontractor can submit requests for periodic payment based on the estimated work completed. Payments must be made for approved work accordingly. Does not apply to residential general contractors, to improvements to family residences that do not require a licensed architect, or to improvements to residential real property that consist of 12 or fewer residential units. Effective Oct. 1, 2001.

Intro. by Dedmon.

Ref. to Rules	GS 44A