

2000 SESSION

INTRODUCED

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SENATE BILL NO. 464

Offered January 24, 2000

A *BILL* to amend the Code of Virginia by adding a section numbered 11-4.1:01, relating to construction contracts.

Patrons—Mims; Delegate: May

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 11-4.1:01 as follows:

§ 11-4.1:01 Certain time conditional payment provisions in construction contracts

A. No provision in a construction contract between a contractor and a subcontractor that delays the timing of payment to the subcontractor pending the timing of receipt of payment by the general contractor from the owner may exceed 180 days from the date the subcontractor completes the work for which payment is due in accordance with the terms of the contract with the general contractor. The 180-day time period shall be stayed when payment by the owner or the general contractor or performance by the subcontractor is the subject of litigation, arbitration or mediation agreed to by the subcontractor. The provisions of this subsection shall not apply to retainages not exceeding ten percent of the contract price.

B. Any provision referenced in subsection A may not abrogate or waive the right of a subcontractor to pursue a claim on a contractor's bond or enforce a lien consistent with § 43-4. In addition, nothing in subsection A shall abrogate or waive any defense under the contractor's bond.

2. That the provisions of this act shall apply only to contracts and contractor's bonds entered into after July 1, 2000.

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