

**§1114. Contractor's and subcontractor's payment obligations**

Payment to a subcontractor for work is subject to the following conditions. [PL 1993, c. 461, §1 (NEW).]

**1. Contractual agreements.** The contractor or subcontractor shall pay a subcontractor or material supplier strictly in accordance with the terms of the subcontractor's or material supplier's contract. [PL 1993, c. 461, §1 (NEW).]

**2. Disclosure.** Notwithstanding any contrary agreement, a contractor or subcontractor shall disclose to a subcontractor or material supplier the due date for receipt of payments from the owner before a contract between those parties is entered. Notwithstanding any other provision of this chapter, if a contractor or subcontractor fails to accurately disclose the due date to a subcontractor or material supplier, the contractor or subcontractor is obligated to pay the subcontractor or material supplier as though the 20-day due dates in section 1113, subsection 3 were met. [PL 2001, c. 471, Pt. A, §13 (AMD).]

**3. Invoices.** Notwithstanding any contrary agreement, when a subcontractor or material supplier has performed in accordance with the provisions of a contract, a contractor shall pay to the subcontractor or material supplier, and each subcontractor shall in turn pay to its subcontractors or material suppliers, the full or proportional amount received for each subcontractor's work and materials based on work completed or service provided under the subcontract, 7 days after receipt of each progress or final payment or 7 days after receipt of the subcontractor's or material supplier's invoice, whichever is later. [PL 1993, c. 461, §1 (NEW).]

**4. Delayed payments.** Notwithstanding any contrary agreement, if any progress or final payment to a subcontractor or material supplier is delayed beyond the due date established in subsection 2 or 3, the contractor or subcontractor shall pay its subcontractor or material supplier interest on any unpaid balance due beginning on the next day, at an interest rate equal to that specified in Title 14, section 1602-C. [PL 2003, c. 460, §2 (AMD).]

**SECTION HISTORY**

PL 1993, c. 461, §1 (NEW). PL 2001, c. 471, §A13 (AMD). PL 2003, c. 460, §2 (AMD).

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