

§1116. Retainage

1. Payment. If payments under a construction contract are subject to retainage, any amounts retained during the performance of the contract and due to be released to the contractor upon completion must be paid within 30 days after final acceptance of the work.

[PL 1993, c. 461, §1 (NEW).]

2. Retainage for subcontractors. If an owner is not withholding retainage for a subcontractor's work, a contractor may withhold retainage from its subcontractor or material supplier in accordance with their agreement. The retainage must be paid within 30 days of final acceptance of the work.

[PL 1993, c. 461, §1 (NEW).]

3. Payment of retainage to subcontractors. Notwithstanding any contrary agreement, a contractor shall pay to its subcontractors or material suppliers and each subcontractor shall in turn pay to its subcontractors or material suppliers, within 7 days after receipt of the retainage, the full amount due to each subcontractor or material supplier.

[PL 1993, c. 461, §1 (NEW).]

4. Withholding retainage. If a contractor or subcontractor unreasonably withholds acceptance of the work or materials or fails to pay retainage as required by this section, the owner, contractor or subcontractor is subject to the interest, penalty and attorney's fees provisions of this chapter.

[PL 1993, c. 461, §1 (NEW).]

SECTION HISTORY

PL 1993, c. 461, §1 (NEW).

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