

Amendments to Senate Bill No. 102
1st Reading Copy

Requested by Senator Gene Vuckovich

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Pat Murdo
February 17, 2011 (8:45am)

1. Title, page 1, line 5.

Strike: "PROVIDING FOR"

Insert: "AND ALLOWING"

2. Title, page 1, lines 5 through 7.

Strike: "; AND REQUIRING" on line 5 through "SUBCONTRACTORS" on line 7

3. Page 1, line 11 through line 29.

Strike: everything after the enacting clause

Insert: "NEW SECTION. **Section 1. Option for direct draw by subcontractors.** (1) A contracting public agency may agree in contracts for a public project to follow the payment provisions in subsection (2) or (3) in addition to those in this title, whether or not the contractor furnishes a security as described in 18-2-201.

(2) The contracting public agency may, upon a signed agreement with the contractor, allow a direct payment to a subcontractor whose work has been fully accepted by the contracting public agency, regardless of the status of the remainder of the project.

(3) The contractor may, without regard to the retainage held by the contracting public agency, provide for a direct draw by a subcontractor if the contractor:

(a) after receiving a progress payment, writes a check directly to a subcontractor in exchange for a release against the security described in 18-2-201; or

(b) writes a check written directly from the contractor's account to be held by the contracting public agency and provided to the subcontractor upon final acceptance of the work by the contracting public agency and with concurrence of the contractor for the work done by the subcontractor. A check for a subcontractor must be held at the contracting public agency office where the subcontractor may pick up the check in exchange for providing a release against the security.

(4) The provisions of subsection (2) apply to other tiers of subcontractors if the contractor agrees in writing."

Insert: "NEW SECTION. **Section 2. {standard} Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 18, chapter 2, part 2, and the provisions