

## **129th MAINE LEGISLATURE**

## FIRST REGULAR SESSION-2019

Legislative Document

No. 862

H.P. 636

House of Representatives, February 14, 2019

## An Act To Limit the Amount of Money That May Be Retained on Construction Contracts

Reference to the Committee on Innovation, Development, Economic Advancement and Business suggested and ordered printed.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative TEPLER of Topsham. Cosponsored by Senator LIBBY of Androscoggin and Representatives: CUDDY of Winterport, FECTEAU of Biddeford, HUBBELL of Bar Harbor, MASTRACCIO of Sanford, PEOPLES of Westbrook.

- 1 Be it enacted by the People of the State of Maine as follows: Sec. 1. 10 MRSA §1116, sub-§5 is enacted to read: 2 3 5. Limit. Retainage may not exceed 5% of the contract price. This subsection does not apply to any contract entered into by a governmental entity, as defined in Title 14, 4 section 8102, subsection 2. 5 6 Sec. 2. Application. This Act applies to a contract entered into on or after the effective date of this Act. 7 **SUMMARY** 8 9 This bill limits the amount of money that may be retained under a construction 10 contract, pending the completion of contractor or subcontractor performance, to 5% of the
- contract price. The limit applies only to private contracts and not to contracts entered into
  by governmental entities and only to contracts entered into on or after the effective date
  of the legislation.

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