Bill No. CS for SB 1600

Amendment No. ____ Barcode 041934

CHAMBER ACTION Senate House 1 WD/2R 04/24/2004 12:05 PM 2 3 4 5 б 7 8 9 10 11 Senator Bennett moved the following amendment: 12 Senate Amendment (with title amendment) 13 14 On page 3, between lines 9 and 10, 15 16 insert: Section 2. Section 218.70, Florida Statutes, is 17 18 amended to read: 19 218.70 Popular name Short title.--This part may be 20 cited as the "Local Government Florida Prompt Payment Act." Section 3. Subsections (2), (6), and (7) of section 21 22 218.72, Florida Statutes, are amended, and subsection (10) is 23 added to that section, to read: 24 218.72 Definitions.--As used in this part: 25 (2) "Local governmental entity" means a county or 26 municipal government, school board, school district, 27 authority, special taxing district, other political subdivision, or any office, board, bureau, commission, 28 department, branch, division, or institution thereof or any 29 30 project supported by county or municipal funds. (6) "Vendor" means any person who sells goods or 131 10:14 AM 04/24/04 s1600c1c-2113r

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1	services, sells or leases personal property, or leases real
2	property <u>directly</u> to a local governmental entity. <u>The term</u>
3	includes any person who provides waste-hauling services to
4	residents or businesses located within the boundaries of a
5	local government pursuant to a contract or local ordinance.
6	(7) "Construction services" means all labor, services,
7	and materials provided in connection with the construction,
8	alteration, repair, demolition, reconstruction, or any other
9	improvements to real property that require a license under
10	parts I and II of chapter 489 .
11	(10) "Contractor" or "provider of construction
12	services" means any person who contracts directly with a local
13	governmental entity to provide construction services.
14	Section 4. Subsection (6) of section 218.735, Florida
15	Statutes, is amended, present subsection (7) of that section
16	is redesignated as subsection (9), and new subsections (7) and
17	(8) are added to that section, to read:
18	218.735 Timely payment for purchases of construction
19	services
20	(6) When a contractor receives payment from a local
21	governmental entity for labor, services, or materials
22	furnished by subcontractors and suppliers hired by the
23	contractor, the contractor shall remit payment due to those
24	subcontractors and suppliers within 10 15 days after the
25	contractor's receipt of payment. When a subcontractor receives
26	payment from a contractor for labor, services, or materials
27	furnished by subcontractors and suppliers hired by the
28	subcontractor, the subcontractor shall remit payment due to
29	those subcontractors and suppliers within $\underline{7}$ $\underline{15}$ days after the
30	subcontractor's receipt of payment. Nothing herein shall
31	prohibit a contractor or subcontractor from disputing,
	2 10:14 AM 04/24/04 21600c1c-2113r

Amendment No. ____ Barcode 041934

1	pursuant to the terms of the relevant contract, all or any
2	portion of a payment alleged to be due to another party . In
3	the event of such a dispute, the contractor or subcontractor
4	may withhold the disputed portion of any such payment if the
5	contractor or subcontractor notifies the party whose payment
б	is disputed, in writing, of the amount in dispute and the
7	actions required to cure the dispute. The contractor or
8	subcontractor must pay all undisputed amounts due within the
9	time limits imposed by this section.
10	(7)(a) Each contract for construction services between
11	a local governmental entity and a contractor must provide for
12	the development of a list of items required to render
13	complete, satisfactory, and acceptable the construction
14	services purchased by the local governmental entity. The
15	contract must specify the process for the development of the
16	list, including responsibilities of the local governmental
17	entity and the contractor in developing and reviewing the list
18	and a reasonable time for developing the list, as follows:
19	1. For construction projects with an estimated cost of
20	less than \$10 million, within 30 calendar days after reaching
21	substantial completion of the construction services purchased
22	as defined in the contract, or, if not defined in the
23	contract, upon reaching beneficial occupancy or use; or
24	2. For construction projects with an estimated cost of
25	<u>\$10 million or more, within 30 calendar days, unless otherwise</u>
26	extended by contract not to exceed 60 calendar days, after
27	reaching substantial completion of the construction services
28	purchased as defined in the contract, or, if not defined in
29	the contract, upon reaching beneficial occupancy or use.
30	(b) If the contract between the local governmental
31	entity and the contractor relates to the purchase of
	10:14 AM 04/24/04 s1600c1c-2113r

s1600c1c-2113r

1	construction services on more than one building or structure,
2	or involves a multiphased project, the contract shall provide
3	for the development of a list of items required to render
4	complete, satisfactory, and acceptable all the construction
	services purchased pursuant to the contract for each building,
5	
6	structure, or phase of the project within the time limitations
7	provided in paragraph (a).
8	(c) The failure to include any corrective work or
9	pending items not yet completed on the list developed pursuant
10	to this subsection does not alter the responsibility of the
11	contractor to complete all the construction services purchased
12	pursuant to the contract.
13	(d) Upon completion of all items on the list, the
14	contractor may submit a payment request for all remaining
15	retainage withheld by the local governmental entity pursuant
16	to this section. If a good-faith dispute exists as to whether
17	one or more items identified on the list have been completed
18	pursuant to the contract, the local governmental entity may
19	continue to withhold an amount not to exceed 150 percent of
20	the total costs to complete such items.
21	(e) All items that require correction under the
22	contract and that are identified after the preparation and
23	delivery of the list remain the obligation of the contractor
24	as defined by the contract.
25	(f) Warranty items may not affect the final payment of
26	retainage as provided in this section or as provided in the
27	contract between the contractor and its subcontractors and
28	suppliers.
29	(g) Retainage may not be held by a local governmental
30	entity or a contractor to secure payment of insurance premiums
31	under a consolidated insurance program or series of insurance
	4 10:14 AM 04/24/04 s1600c1c-2113r

1	policies issued to a local governmental entity or a contractor
2	for a project or group of projects, and the final payment of
3	retainage as provided in this section may not be delayed
4	pending a final audit by the local governmental entity's or
5	contractor's insurance provider.
6	(h) If a local governmental entity fails to comply
7	with its responsibilities to develop the list required under
8	paragraph (a) or paragraph (b), as defined in the contract,
9	within the time limitations provided in paragraph (a), the
10	contractor may submit a payment request for all remaining
11	retainage withheld by the local governmental entity pursuant
12	to this section. The local governmental entity need not pay or
13	process any payment request for retainage if the contractor
14	has, in whole or in part, failed to cooperate with the local
15	governmental entity in the development of the list or failed
16	to perform its contractual responsibilities, if any, with
17	regard to the development of the list or if paragraph (8)(f)
18	applies.
19	(8)(a) With regard to any contract for construction
19 20	(8)(a) With regard to any contract for construction services, a local governmental entity may withhold from each
20	services, a local governmental entity may withhold from each
20 21	services, a local governmental entity may withhold from each progress payment made to the contractor an amount not
20 21 22	services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the
20 21 22 23	services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased
20 21 22 23 24	services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such
20 21 22 23 24 25	services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such services.
20 21 22 23 24 25 26	<pre>services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such services. (b) After 50-percent completion of the construction</pre>
20 21 22 23 24 25 26 27	<pre>services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such services. (b) After 50-percent completion of the construction services purchased pursuant to the contract, the local</pre>
20 21 22 23 24 25 26 27 28	<pre>services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such services. (b) After 50-percent completion of the construction services purchased pursuant to the contract, the local governmental entity must reduce to 5 percent the amount of</pre>
20 21 22 23 24 25 26 27 28 29 30	<pre>services, a local governmental entity may withhold from each progress payment made to the contractor an amount not exceeding 10 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to the contract until 50-percent completion of such services. (b) After 50-percent completion of the construction services purchased pursuant to the contract, the local governmental entity must reduce to 5 percent the amount of retainage withheld from each subsequent progress payment made</pre>

1	contract between the local governmental entity and the
2	contractor, or, if not defined in the contract, the point at
3	which the local governmental entity has expended 50 percent of
4	the total cost of the construction services purchased as
5	identified in the contract together with all costs associated
б	with existing change orders and other additions or
7	modifications to the construction services provided for in the
8	contract. However, notwithstanding this subsection, a
9	municipality with a population of 25,000 or fewer, or a county
10	with a population of 100,000 or fewer, may withhold retainage
11	in an amount not exceeding 10 percent of each progress payment
12	made to the contractor until final completion and acceptance
13	of the project by the local governmental entity.
14	(c) After 50-percent completion of the construction
15	services purchased pursuant to the contract, the contractor
16	may elect to withhold retainage from payments to its
17	subcontractors at a rate higher than 5 percent. The specific
18	amount to be withheld must be determined on a case-by-case
19	basis and must be based on the contractor's assessment of the
20	subcontractor's past performance, the likelihood that such
21	performance will continue, and the contractor's ability to
22	rely on other safeguards. The contractor shall notify the
23	subcontractor, in writing, of its determination to withhold
24	more than 5 percent of the progress payment and the reasons
25	for making that determination, and the contractor may not
26	request the release of such retained funds from the local
27	governmental entity.
28	(d) After 50-percent completion of the construction
29	services purchased pursuant to the contract, the contractor
30	may present to the local governmental entity a payment request
31	for up to one-half of the retainage held by the local
	10:14 AM 04/24/04 s1600c1c-2113r

1	governmental entity. The local governmental entity shall
2	promptly make payment to the contractor, unless the local
3	governmental entity has grounds, pursuant to paragraph (f),
4	for withholding the payment of retainage. If the local
5	governmental entity makes payment of retainage to the
б	contractor under this paragraph which is attributable to the
7	labor, services, or materials supplied by one or more
8	subcontractors or suppliers, the contractor shall timely remit
9	payment of such retainage to those subcontractors and
10	suppliers.
11	(e) This section does not prohibit a local
12	governmental entity from withholding retainage at a rate less
13	than 10 percent of each progress payment, from incrementally
14	reducing the rate of retainage pursuant to a schedule provided
15	for in the contract, or from releasing at any point all or a
16	portion of any retainage withheld by the local governmental
17	entity which is attributable to the labor, services, or
18	materials supplied by the contractor or by one or more
19	subcontractors or suppliers. If a local governmental entity
20	makes any payment of retainage to the contractor which is
21	attributable to the labor, services, or materials supplied by
22	one or more subcontractors or suppliers, the contractor shall
23	timely remit payment of such retainage to those subcontractors
24	and suppliers.
25	(f) This section does not require the local
26	governmental entity to pay or release any amounts that are the
27	subject of a good-faith dispute, the subject of an action
28	brought pursuant to s. 255.05, or otherwise the subject of a
29	claim or demand by the local governmental entity or
30	contractor.
31	(q) The time limitations set forth in this section for 7
	10:14 AM 04/24/04 , s1600c1c-2113r

Amendment No. ____ Barcode 041934

payment of payment requests apply to any payment request for 1 1 retainage made pursuant to this section. 2 3 (h) Paragraphs (a)-(d) do not apply to construction services purchased by a local governmental entity which are 4 5 paid for, in whole or in part, with federal funds and are subject to federal grantor laws and regulations or б 7 requirements that are contrary to any provision of the Local 8 Government Prompt Payment Act. 9 (i) This subsection does not apply to any construction services purchased by a local governmental entity if the total 10 11 cost of the construction services purchased as identified in the contract is \$200,000 or less. 12 Section 5. Section 255.0705, Florida Statutes, is 13 14 created to read: 15 255.0705 Popular name.--Sections 255.0705-255.078 may 16 be cited as the "Florida Prompt Payment Act." Section 6. Subsections (2) and (3) of section 255.071, 17 Florida Statutes, are amended to read: 18 19 255.071 Payment of subcontractors, sub-subcontractors, materialmen, and suppliers on construction contracts for 20 21 public projects .--(2) The failure to pay any undisputed obligations for 22 23 such labor, services, or materials within 30 days after the date the labor, services, or materials were furnished and 24 25 payment for such labor, services, or materials became due, or within the time limitations set forth in s. 255.073(3) 30 days 26 27 after the date payment for such labor, services, or materials is received, whichever last occurs, shall entitle any person 28 providing such labor, services, or materials to the procedures 29 specified in subsection (3) and the remedies provided in 30 31 subsection (4). 8 10:14 AM 04/24/04 s1600c1c-2113r

	Allendment NO Barcode 041934
1	(3) Any person providing labor, services, or materials
2	for the construction of a public building, for the prosecution
3	and completion of a public work, or for repairs upon a public
4	building or public work improvements to real property may file
5	a verified complaint alleging:
б	(a) The existence of a contract for providing such
7	labor, services, or materials to improve real property.
8	(b) A description of the labor, services, or materials
9	provided and alleging that the labor, services, or materials
10	were provided in accordance with the contract.
11	(c) The amount of the contract price.
12	(d) The amount, if any, paid pursuant to the contract.
13	(e) The amount that remains unpaid pursuant to the
14	contract and the amount thereof that is undisputed.
15	(f) That the undisputed amount has remained due and
16	payable pursuant to the contract for more than 30 days after
17	the date the labor or services were accepted or the materials
18	were received.
19	(g) That the person against whom the complaint was
20	filed has received payment on account of the labor, services,
21	or materials described in the complaint and, as of the date
22	the complaint was filed, has failed to make payment within the
23	time limitations set forth in s. 255.073(3) more than 30 days
24	prior to the date the complaint was filed.
25	Section 7. Section 255.072, Florida Statutes, is
26	created to read:
27	<u>255.072</u> DefinitionsAs used in ss. 255.073-255.078,
28	the term:
29	(1) "Agent" means project architect, project engineer,
30	or any other agency or person acting on behalf of a public
31	entity. 9
	10:14 AM 04/24/04 s1600c1c-2113r

Bill No. CS for SB 1600 Amendment No. Barcode 041934 (2) "Construction services" means all labor, services, 1 and materials provided in connection with the construction, 2 alteration, repair, demolition, reconstruction, or any other 3 improvements to real property. The term "construction 4 5 services" does not include contracts or work performed for the Department of Transportation. б 7 (3) "Contractor" means any person who contracts directly with a public entity to provide construction 8 9 <u>services.</u> (4) "Payment request" means a request for payment for 10 construction services which conforms with all statutory 11 requirements and with all requirements specified by the public 12 13 entity to which the payment request is submitted. (5) "Public entity" means the state, or any office, 14 15 board, bureau, commission, department, branch, division, or 16 institution thereof, but does not include a local governmental entity as defined in s. 218.72. 17 (6) "Purchase" means the purchase of construction 18 19 services. Section 8. Section 255.073, Florida Statutes, is 2.0 created to read: 21 255.073 Timely payment for purchases of construction 2.2 23 services.--(1) Except as otherwise provided in ss. 24 255.072-255.078, s. 215.422 governs the timely payment for 25 construction services by a public entity. 26 27 (2) If a public entity disputes a portion of a payment request, the undisputed portion must be timely paid. 2.8 29 (3) When a contractor receives payment from a public entity for labor, services, or materials furnished by 30 31 subcontractors and suppliers hired by the contractor, the 10 10:14 AM 04/24/04 s1600c1c-2113r

1	contractor shall remit payment due to those subcontractors and
2	suppliers within 10 days after the contractor's receipt of
3	payment. When a subcontractor receives payment from a
4	contractor for labor, services, or materials furnished by
5	subcontractors and suppliers hired by the subcontractor, the
6	subcontractor shall remit payment due to those subcontractors
7	and suppliers within 7 days after the subcontractor's receipt
8	of payment. This subsection does not prohibit a contractor or
9	subcontractor from disputing, pursuant to the terms of the
10	relevant contract, all or any portion of a payment alleged to
11	be due to another party if the contractor or subcontractor
12	notifies the party whose payment is disputed, in writing, of
13	the amount in dispute and the actions required to cure the
14	dispute. The contractor or subcontractor must pay all
15	undisputed amounts due within the time limits imposed by this
16	subsection.
17	(4) All payments due for the purchase of construction
18	services and not made within the applicable time limits shall
19	bear interest at the rate specified in s. 215.422. After July
20	
	1, 2005, such payments shall bear interest at the rate of 1
21	<u>1, 2005, such payments shall bear interest at the rate of 1</u> percent per month, to the extent that the Chief Financial
21	percent per month, to the extent that the Chief Financial
21 22	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and
21 22 23	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for
21 22 23 24	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1,
21 22 23 24 25	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1, 2006, all such payments due from public entities shall bear
21 22 23 24 25 26	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1, 2006, all such payments due from public entities shall bear interest at the rate of 1 percent per month.
21 22 23 24 25 26 27	percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1, 2006, all such payments due from public entities shall bear interest at the rate of 1 percent per month. Section 9. Section 255.074, Florida Statutes, is
21 22 23 24 25 26 27 28	<pre>percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1, 2006, all such payments due from public entities shall bear interest at the rate of 1 percent per month. Section 9. Section 255.074, Florida Statutes, is created to read:</pre>
 21 22 23 24 25 26 27 28 29 	<pre>percent per month, to the extent that the Chief Financial Officer's replacement project for the state's accounting and cash management systems (Project ASPIRE) is operational for the particular affected public entities. After January 1, 2006, all such payments due from public entities shall bear interest at the rate of 1 percent per month. Section 9. Section 255.074, Florida Statutes, is created to read: 255.074 Procedures for calculation of payment due</pre>

Bill No. CS for SB 1600 Amendment No. Barcode 041934 whereby each payment request received by the public entity is 1 1 marked as received on the date on which it is delivered to an 2 3 agent or employee of the public entity or of a facility or office of the public entity. 4 5 (2) If the terms under which a purchase is made allow for partial deliveries and a payment request is submitted for б 7 a partial delivery, the time for payment for the partial delivery must be calculated from the time of the partial 8 delivery and the submission of the payment request. 9 (3) A public entity must submit a payment request to 10 11 the Chief Financial Officer for payment no more than 20 days after receipt of the payment request. 12 Section 10. Section 255.075, Florida Statutes, is 13 14 created to read: 15 255.075 Mandatory interest. -- A contract between a 16 public entity and a contractor may not prohibit the collection of late payment interest charges authorized under s. 17 255.073(4). 18 19 Section 11. Section 255.076, Florida Statutes, is 20 created to read: 255.076 Improper payment request; resolution of 21 disputes.-- In an action to recover amounts due for 2.2 23 construction services purchased by a public entity, the court 24 shall award court costs and reasonable attorney's fees, 25 including fees incurred through any appeal, to the prevailing 26 party, if the court finds that the nonprevailing party 27 withheld any portion of the payment that is the subject of the action without any reasonable basis in law or fact to dispute 2.8 29 the prevailing party's claim to those amounts. Section 12. Section 255.077, Florida Statutes, is 30 31 created to read: 12 10:14 AM 04/24/04 s1600c1c-2113r

Bill No. CS for SB 1600 Amendment No. Barcode 041934 255.077 Project closeout and payment of retainage .--1 (1) Each contract for construction services between a 2 3 public entity and a contractor must provide for the development of a list of items required to render complete, 4 5 satisfactory, and acceptable the construction services purchased by the public entity. The contract must specify the б 7 process for the development of the list, including responsibilities of the public entity and the contractor in 8 developing and reviewing the list and a reasonable time for 9 developing the list, as follows: 10 11 1. For construction projects with an estimated cost of less than \$10 million, within 30 calendar days after reaching 12 13 substantial completion of the construction services purchased as defined in the contract, or, if not defined in the 14 15 contract, upon reaching beneficial occupancy or use; or 16 2. For construction projects with an estimated cost of 17 \$10 million or more, within 30 calendar days, unless otherwise extended by contract not to exceed 60 calendar days, after 18 19 reaching substantial completion of the construction services 20 purchased as defined in the contract, or, if not defined in 21 the contract, upon reaching beneficial occupancy or use. (2) If the contract between the public entity and the 2.2 contractor relates to the purchase of construction services on 23 more than one building or structure, or involves a multiphased 24 project, the contract shall provide for the development of a 25 list of items required to render complete, satisfactory, and 26 27 acceptable all the construction services purchased pursuant to 28 the contract for each building, structure, or phase of the 29 project within the time limitations provided in subsection 30 (1). 31 (3) The failure to include any corrective work or 13 10:14 AM 04/24/04 s1600c1c-2113r

1	pending items not yet completed on the list developed pursuant
2	to subsection (1) or subsection (2) does not alter the
3	responsibility of the contractor to complete all the
4	construction services purchased pursuant to the contract.
5	(4) Upon completion of all items on the list, the
6	contractor may submit a payment request for all remaining
7	retainage withheld by the public entity pursuant to s.
8	255.078. If a good-faith dispute exists as to whether one or
9	more items identified on the list have been completed pursuant
10	to the contract, the public entity may continue to withhold an
11	amount not to exceed 150 percent of the total costs to
12	complete such items.
13	(5) All items that require correction under the
14	contract and that are identified after the preparation and
15	delivery of the list remain the obligation of the contractor
16	as defined by the contract.
17	(6) Warranty items may not affect the final payment of
18	retainage as provided in this section or as provided in the
19	contract between the contractor and its subcontractors and
20	suppliers.
21	(7) Retainage may not be held by a public entity or a
22	contractor to secure payment of insurance premiums under a
23	consolidated insurance program or series of insurance policies
24	issued to a public entity or a contractor for a project or
25	group of projects, and the final payment of retainage as
26	provided in this section may not be delayed pending a final
27	audit by the public entity's or contractor's insurance
28	provider.
29	(8) If a public entity fails to comply with its
30	responsibilities to develop the list required under subsection
31	(1) or subsection (2), as defined in the contract, within the 14
	10:14 AM 04/24/04 s1600clc-2113r

Bill No. CS for SB 1600 Amendment No. Barcode 041934 time limitations provided in subsection (1), the contractor 1 1 may submit a payment request for all remaining retainage 2 3 withheld by the public entity pursuant to s. 255.078. The public entity need not pay or process any payment request for 4 5 retainage if the contractor has, in whole or in part, failed to cooperate with the public entity in the development of the б 7 list or failed to perform its contractual responsibilities, if any, with regard to the development of the list or if s. 8 <u>255.078(6) applies.</u> 9 Section 13. Section 255.078, Florida Statutes, is 10 11 created to read: 255.078 Public construction retainage.--12 13 (1) With regard to any contract for construction services, a public entity may withhold from each progress 14 15 payment made to the contractor an amount not exceeding 10 16 percent of the payment as retainage to ensure the satisfactory completion of the construction services purchased pursuant to 17 the contract until 50-percent completion of such services. 18 19 (2) After 50-percent completion of the construction services purchased pursuant to the contract, the public entity 2.0 must reduce to 5 percent the amount of retainage withheld from 21 each subsequent progress payment made to the contractor. For 2.2 purposes of this section, the term "50-percent completion" has 23 the meaning set forth in the contract between the public 24 25 entity and the contractor, or, if not defined in the contract, the point at which the public entity has expended 50 percent 26 27 of the total cost of the construction services purchased as identified in the contract together with all costs associated 2.8 with existing change orders and other additions or 29 30 modifications to the construction services provided for in the 31 contract. 15

10:14 AM 04/24/04

s1600c1c-2113r

1	(3) After 50-percent completion of the construction
2	services purchased pursuant to the contract, the contractor
3	may elect to withhold retainage from payments to its
4	subcontractors at a rate higher than 5 percent. The specific
5	amount to be withheld must be determined on a case-by-case
б	basis and must be based on the contractor's assessment of the
7	subcontractor's past performance, the likelihood that such
8	performance will continue, and the contractor's ability to
9	rely on other safequards. The contractor shall notify the
10	subcontractor, in writing, of its determination to withhold
11	more than 5 percent of the progress payment and the reasons
12	for making that determination, and the contractor may not
13	request the release of such retained funds from the public
14	entity.
15	(4) After 50-percent completion of the construction
16	services purchased pursuant to the contract, the contractor
17	may present to the public entity a payment request for up to
18	one-half of the retainage held by the public entity. The
19	public entity shall promptly make payment to the contractor,
20	unless the public entity has grounds, pursuant to subsection
21	(6), for withholding the payment of retainage. If the public
22	entity makes payment of retainage to the contractor under this
23	subsection which is attributable to the labor, services, or
24	materials supplied by one or more subcontractors or suppliers,
25	the contractor shall timely remit payment of such retainage to
26	those subcontractors and suppliers.
27	(5) Neither this section nor s. 255.077 prohibits a
28	public entity from withholding retainage at a rate less than
29	10 percent of each progress payment, from incrementally
30	reducing the rate of retainage pursuant to a schedule provided
31	for in the contract, or from releasing at any point all or a 16
	10:14 AM 04/24/04 s1600c1c-2113r

1	portion of any retainage withheld by the public entity which
2	is attributable to the labor, services, or materials supplied
3	by the contractor or by one or more subcontractors or
4	suppliers. If a public entity makes any payment of retainage
5	to the contractor which is attributable to the labor,
б	services, or materials supplied by one or more subcontractors
7	or suppliers, the contractor shall timely remit payment of
8	such retainage to those subcontractors and suppliers.
9	(6) Neither this section nor s. 255.077 requires the
10	public entity to pay or release any amounts that are the
11	subject of a good-faith dispute, the subject of an action
12	brought pursuant to s. 255.05, or otherwise the subject of a
13	claim or demand by the public entity or contractor.
14	(7) The same time limits for payment of a payment
15	request apply regardless of whether the payment request is
16	for, or includes, retainage.
17	(8) Subsections $(1)-(4)$ do not apply to construction
18	services purchased by a public entity which are paid for, in
19	whole or in part, with federal funds and are subject to
20	federal grantor laws and regulations or requirements that are
21	contrary to any provision of the Florida Prompt Payment Act.
22	(9) This section does not apply to any construction
23	services purchased by a public entity if the total cost of the
24	construction services purchased as identified in the contract
25	<u>is \$200,000 or less.</u>
26	Section 14. Paragraph (b) of subsection (2) of section
27	95.11, Florida Statutes, is amended to read:
28	95.11 Limitations other than for the recovery of real
29	propertyActions other than for recovery of real property
30	shall be commenced as follows:
31	(2) WITHIN FIVE YEARS
	17 10:14 AM 04/24/04 17 s1600c1c-2113r

1	(b) A legal or equitable action on a contract,
2	obligation, or liability founded on a written instrument,
3	except for an action to enforce a claim against a payment
4	bond, which shall be governed by the applicable provisions of
5	ss. <u>255.05(9)</u> 255.05(2)(a)2. and 713.23(1)(e).
б	Section 15. <u>Neither the amendments to sections 95.11,</u>
7	218.70, 218.72, 218.735, and 255.071, Florida Statutes, and
8	subsection (2) of section 255.05, Florida Statutes, as
9	provided in this act, nor subsection (9) of section 255.05,
10	Florida Statutes, and section 255.078, Florida Statutes, as
11	created by this act, applies to any existing construction
12	contract pending approval by a local governmental entity or
13	public entity, or to any project advertised for bid by the
14	local government entity or public entity, on or before the
15	effective date of this act. The amendments to subsections (3),
16	(4), and (6) of section 255.05, Florida Statutes, as provided
17	in this act, apply to public construction bonds issued for
18	contracts entered into on or after the effective date of this
19	act.
20	
21	(Redesignate subsequent sections.)
22	
23	
24	======== TITLE AMENDMENT==========
25	And the title is amended as follows:
26	On page 1, line 9, after the semicolon,
27	
28	insert:
29	amending s. 218.70, F.S.; providing a short
30	title; amending s. 218.72, F.S.; redefining
31	terms used in part VII of ch. 218, F.S.;
	18 10:14 AM 04/24/04 s1600c1c-2113r

	Bill No. <u>CS for SB 1600</u>
	Amendment No Barcode 041934
1	amending s. 218.735, F.S.; revising provisions
2	relating to timely payment for purchases of
3	construction services; revising deadlines for
4	payment; providing procedures for project
5	closeout and payment of retainage; providing
б	requirements for local government construction
7	retainage; providing that ss. 218.72-218.76,
8	F.S., apply to the payment of any payment
9	request for retainage; providing exceptions;
10	creating s. 255.0705, F.S.; providing a short
11	title; amending s. 255.071, F.S.; revising
12	deadlines for the payment of subcontractors,
13	sub-subcontractors, materialmen, and suppliers
14	on construction contracts for public projects;
15	creating ss. 255.072, 255.073, 255.074,
16	255.075, 255.076, 255.077, and 255.078, F.S.;
17	providing definitions; providing for timely
18	payment for purchases of construction services
19	by a public entity; providing procedures for
20	calculating payment due dates; providing
21	procedures for handling improper payment
22	requests; providing for the resolution of

, F.S.; imely services es for ng ent requests; providing for the resolution of disputes; providing for project closeout and payment of retainage; providing that ss. 255.072-255.076, F.S., apply to the payment of any payment request for retainage; providing exceptions; amending s. 255.05, F.S.; providing requirements for certain notices of nonpayment served by a claimant who is not in privity with the contractor; revising the form for a public construction bond; requiring the payment 19

10:14 AM 04/24/04

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s1600c1c-2113r

Amendment No. ____ Barcode 041934

	Amendment No Barcode 041934
1	provisions of all public construction bonds to
2	be construed as statutory bonds; prohibiting
3	conversion to common law bonds; deleting a
4	requirement that bond forms used by public
5	owners reference certain notice and time
б	limitation provisions; providing limitations on
7	a claimant's institution of certain actions
8	against a contractor or surety; amending s.
9	95.11, F.S., to conform a cross-reference;
10	providing for application of specified sections
11	of the act to certain contracts and projects;
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10:14 AM 04/24/04