

By Mr. Kenneally, a petition of Gordon E. Gaffney and George V. Kenneally, Jr., for legislation to make certain changes in the law regulating the payment of sums due to contractors after the completion of certain public works and public building contracts. State Administration.

The Commonwealth of Massachusetts

In the year One Thousand Nine Hundred and Seventy-Two.

AN ACT MAKING CERTAIN CHANGES IN THE LAW REGULATING THE PAYMENT OF SUMS DUE TO CONTRACTORS AFTER COMPLETION OF CERTAIN PUBLIC WORKS AND PUBLIC BUILDING CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 39G of chapter 30 of the General Laws,
2 as most recently amended by chapter 499 of the Acts of 1956,
3 is hereby amended by striking out the last sentence of the
4 first paragraph and inserting in place thereof the following
5 sentence: — The Contracting Authority shall deduct and re-
6 tain from payment of said final estimate a sum sufficient to
7 satisfy any and all valid claims that have been duly filed
8 against a contractor under the provisions of section 39F of
9 this chapter and may also deduct and retain from such pay-
10 ment any other amounts to be deducted or retained in accord-
11 ance with the terms of the contract.

1 SECTION 2. Section 39G of chapter 30 of the General Laws
2 is hereby further amended by striking out the final para-
3 graph and inserting in place thereof the following new para-
4 graph: —

5 If a Contracting authority or its duly authorized repre-
6 sentative or agent delays or fails to prepare any final or semi-
7 final estimate within the period of time provided by this
8 section, interest on the amount due the contractor on any
9 such final or semi-final estimate shall be computed and paid
10 by the contracting authority at the rate of three percentage

11 points above the rediscount rate then charged by the Federal
 12 Reserve Bank of Boston. Payment of interest shall begin on
 13 the sixty-sixth day after the contract has been satisfactorily
 14 completed or the project has been substantially completed and
 15 opened to public use, as the case may be, and shall be paid
 16 until the date such estimate has been prepared and submitted
 17 to the contractor for acceptance. The amount of such interest
 18 shall be included in the estimate when prepared.