SENATE DOCKET, NO. 421 FILED ON: 1/16/2013

SENATE . . . . . No. 1527

The Commonwealth of Massachusetts

PRESENTED BY:

Anthony W. Petruccelli

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relative to interest on retainage.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Anthony W. Petruccelli	*First Suffolk and Middlesex*

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SENATE . . . . . No. 1527

By Mr. Petruccelli, a petition (accompanied by bill, Senate, No. 1527) of Anthony W. Petruccelli relative to interest on retainage paid to contractors and subcontractors by awarding authorities. State Administration and Regulatory Oversight.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
HOUSE
, NO. *2573* OF 2011-2012.]

The Commonwealth of Massachusetts

An Act relative to interest on retainage.

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

Section 39G of chapter 30 of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by inserting after the sixth paragraph the following new paragraph:—

At the time of the first payment to the contractor, the awarding authority shall establish an interest bearing escrow account at a financial institution licensed to do business in the commonwealth. The account shall be established to maximize the rate of interest thereon, which is to accumulate. The awarding authority shall deposit to such account each portion of each requ isition that represents retainage deducted from the amount due the contractor for periodic payment. The deposit of such retainage into the escrow account shall be made simultaneously with the payments to the contractor for periodic requisitions. The amount in the escrow account, including accumulated interest, shall be payable to the contractor in accordance with the provisions of this section.