



Councilmember Mary Cheh



Councilmember Anita Bonds



Councilmember Brianne K. Nadeau

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A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Private Contractor and Subcontractor Prompt Payment Act of 2013 to prohibit a general contractor from withholding payment to subcontractors on work performed and completed on one job to offset payments for another job, and to establish that any contract provision that allows a contractor to withhold funds from a subcontractor to offset damages or claims owed from a different contract is void as against public policy.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Subcontractor Prompt Payment Amendment Act of 2020”.

Sec. 2. Section 5 of the Private Contractor and Subcontractor Prompt Payment Act of 2013, effective November 5, 2013 (D.C. Law 20-34; D.C. Official Code § 27-134), is amended by adding new subsections (d) and (e) to read as follows:

“(d) A contractor or subcontractor shall:

“(1) Within 7 days, pay undisputed amounts owed to a subcontractor or lower-tiered subcontractor upon labor completion; and

“(2) Not deduct or withhold a subcontractor’s or lower-tiered subcontractor’s payment for the purpose of offsetting any other contractual obligation or work to be completed.

“(e) Any contract or subcontract provision in a contract executed after the effective date of the Subcontractor Prompt Payment Amendment Act of 2020, as introduced on DATE, 2020 (Bill 23-XXX), that allows a contracting party to withhold funds due under one contract or

24 subcontract for alleged claims or damages due on another contract or subcontract is void as
25 against public policy.”.

26 Sec. 3. Fiscal impact statement.

27 The Council adopts the fiscal impact statement in the committee report as the fiscal
28 impact statement required by section 4a of the General Legislative Procedures Act of 1975,
29 approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

30 Sec. 4. Effective date.

31 This act shall take effect following approval by the Mayor (or in the event of veto by the
32 Mayor, action by the Council to override the veto), a 30-day period of congressional review as
33 provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December
34 24, 1973 (87 Stat. 813; D.C. Official Code§ 1-206.02(c)(1)), and publication in the District of
35 Columbia Register.