

HOUSE No. 2964

The Commonwealth of Massachusetts

PRESENTED BY:

Garrett J. Bradley

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 bill:

An Act relative to interest on retainage.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Garrett J. Bradley	3rd Plymouth
Charles A. Murphy	21st Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 3181 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

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:

1 SECTION 1. Section 39G of Chapter 30 of the General Laws, as appearing in the 2004 Official Edition and as
2 amended by Chapter 236 of the Acts of 1998 is hereby further amended by inserting after paragraph six, the
3 following new paragraph:-

4 At the time of the first payment to the contractor, the awarding authority shall establish an escrow account in a
5 financial institution licensed to do business in the Commonwealth. The account shall be set up to maximize the
6 return, which is to accumulate. The awarding authority shall then pay into such account each portion of each
7 requisition that represents retainage deducted from the amount due the contractor for periodic payment. The
8 payment of such retainage into the escrow account shall be made simultaneously with the payments to the contractor
9 for periodic requisitions. The proceeds of the escrow account including accumulated interest shall be payable to the
10 contractor in accordance with the provisions of this section.