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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **2912**

1.1   A bill for an act

1.2   relating to state government; requiring release of a retainage within a certain time

1.3   period; amending Minnesota Statutes 2016, section 15.72, by adding a subdivision.

1.4   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5   Section 1. Minnesota Statutes 2016, section 15.72, is amended by adding a subdivision

1.6   to read:

1.7   Subd. 3. **Release of retainage.** (a) Upon substantial completion of a prime contractor's

1.8   scope of work, a public contracting agency must release the retainage or final payment

1.9   withheld from the prime contractor within 45 days.

1.10   (b) After substantial completion, a public contracting agency may withhold no more

1.11   than 150 percent of the value of incomplete or defective work. Any amounts withheld for

1.12   incomplete or defective work shall be paid within 45 days after the completion of the work.

1.13   (c) A public contracting agency may reduce the amount of retainage and may eliminate

1.14   retainage if, in the public contracting agency's opinion, the work is progressing satisfactorily.

1.15   (d) As used in this subdivision, "substantial completion" shall be determined as provided

1.16   in section 541.051, subdivision 1, paragraph (a).

1.17   **EFFECTIVE DATE.** This section applies to agreements entered into on or after August

1.18   1, 2018.