

1.1 moves to amend H.F. No. 2912, the first engrossment, as follows:

1.2 Page 1, after line 4, insert:

1.3 "Section 1. Minnesota Statutes 2016, section 15.72, subdivision 2, is amended to read:

1.4 Subd. 2. **Retainage.** (a) A public contracting agency may reserve as retainage from any
1.5 progress payment on a public contract for a public improvement an amount not to exceed
1.6 five percent of the payment. A public agency may reduce the amount of the retainage and
1.7 may eliminate retainage on any monthly contract payment if, in the agency's opinion, the
1.8 work is progressing satisfactorily.

1.9 (b) A prime contractor may not reserve as a retainage from a subcontractor an amount
1.10 that exceeds the amount reserved by the public contracting agency under this subdivision.
1.11 Upon written request of a subcontractor who has not been paid for work in accordance with
1.12 section 16A.1245 or section 471.425, subdivision 4a, the public contracting agency shall
1.13 notify the subcontractor of a progress payment, retainage payment, or final payment made
1.14 to the prime contractor. A prime contractor must include in any contract with a subcontractor
1.15 the name, address, and telephone number of a responsible official at the public contracting
1.16 agency that may be contacted for purposes of making a request under this paragraph."

1.17 Page 1, delete lines 10 to 12 and insert:

1.18 "(b) After substantial completion, a public contracting agency may withhold no more
1.19 than:

1.20 (1) 150 percent of the value of incomplete or defective work; and

1.21 (2) one percent of the value of the contract or \$500, whichever is greater, pending
1.22 completion and submission of all final paperwork by the prime contractor, provided that an
1.23 amount withheld under this clause may not exceed \$10,000.

2.1 Any amounts withheld under clause (1) must be paid within 45 days after completion of
2.2 the work. Any amounts withheld under clause (2) must be paid within 45 days after
2.3 submission of all final paperwork."

2.4 Page 1, line 16, after the period insert "For construction, reconstruction, or improvement
2.5 of streets and highways, including bridges, substantial completion means the date when
2.6 construction-related traffic-control devices and ongoing inspections are no longer required."

2.7 Renumber the sections in sequence and correct the internal references

2.8 Amend the title accordingly