

P.L. 2007, Chapter 180
ASSEMBLY, No. 3649

STATE OF NEW JERSEY
212th LEGISLATURE

Signed By Governor Corzine, September 28, 2007

Sponsored by:

Assemblyman JOHN S. WISNIEWSKI
District 19 (Middlesex)

Co-Sponsored by:

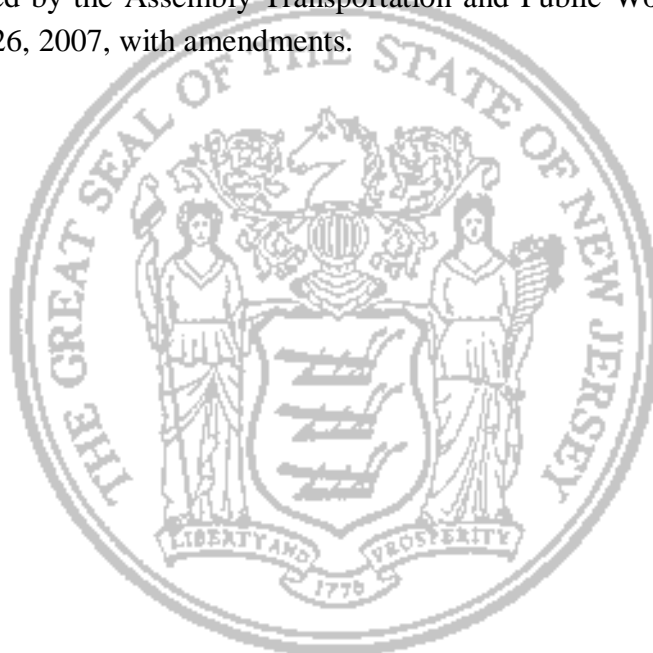
Senators Sacco and Karcher

SYNOPSIS

Establishes partial payment schedules and amounts to be retained by New Jersey Turnpike Authority from roadway work payments to contractors.

CURRENT VERSION OF TEXT

As reported by the Assembly Transportation and Public Works Committee on February 26, 2007, with amendments.



(Sponsorship Updated As Of: 6/19/2007)

1 AN ACT concerning certain payments to roadway contractors and
2 supplementing P.L.1948, c.454 (C.27:23-1 et seq.).

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Contracts entered into by the New Jersey Turnpike Authority
8 for roadway construction and maintenance shall provide for partial
9 payments at least once each month or from time to time as the work
10 progresses on work of construction or maintenance. Two per
11 centum of the amount due on partial payments of the total contract
12 price shall be withheld from the contractor pending completion of
13 the contract, but upon substantial completion of the contract, as
14 defined by rules or regulations of the authority, 1% shall be
15 withheld. At any time during the performance of the work, if work
16 is not progressing, as defined by the "New Jersey Turnpike
17 Authority Standard Specifications," the authority may, in its
18 discretion, increase the withholding to 4% of the payment due. No
19 retainage shall be withheld on service contracts including, but not
20 limited to, mowing, sweeping, tree trimming and similar contracts.
21 Any partial payments made after substantial completion of the
22 contract shall be made only upon certification by the general
23 contractor to the authority that all subcontractors have been paid in
24 the same proportion that he has been paid; however, should the
25 amount owed by a general contractor to a subcontractor be in
26 dispute the authority shall be empowered to advance to the general
27 contractor the amount in dispute after a determination by the
28 authority.

29 Contracts may also provide for partial payments at least once in
30 each month or from time to time as the work progresses on all
31 materials placed along or upon the site, or stored at locations
32 approved by the authority, which are suitable for the use and
33 execution of the contract, provided the contractor furnishes releases
34 of liens for all materials furnished at the time each estimate of work
35 is submitted for payment, but such partial payments shall not
36 exceed the cost of material.

37 When the contract provides that a portion of the work may be
38 deferred with the approval of the authority, the sum withheld from
39 the contractor may not be less than 25% of the value of the work.

40 Any money heretofore or hereafter withheld from contract
41 payments as provided for herein shall be paid by the authority to
42 any contractor entitled thereto who shall deposit under terms of an
43 escrow agreement, in a banking institution located in this State and
44 approved by the authority, negotiable bonds, acceptable to the

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ATR committee amendments adopted February 26, 2007.

1 authority, issued by the State or any political subdivision thereof,
2 the bonds having value equal to the amount of money to be paid to
3 any such contractor. For purposes of this section, value shall mean
4 par value or market value, whichever is lower.

5
6 ¹2. The provisions of this act shall not modify, limit, or restrict
7 in any manner the obligations and powers of the New Jersey
8 Turnpike Authority to comply with, carry out, and perform each and
9 every covenant, agreement, or contract heretofore made or entered
10 into by the authority with respect to the authority's bonds or for the
11 benefit, protection, or security of the bondholders.¹

12
13 ¹[2.] 3.¹ This act shall take effect ¹**[immediately]** on January 1,
14 2008¹.