



PRESS RELEASE

American Subcontractors Association Colorado Introduces HB14 1165 ~ Limits Retainage on Private Projects

February 13, 2014

303.759.8260

Contact ~ Debra Scifo, Executive Director

dscifo@asacolorado.com

American Subcontractors Association of Colorado (ASAC) continues its efforts before the 2014 Colorado General Assembly, introducing legislative reform of construction retainage practices that are harmful to business and the construction industry.

[HB14 1165](#) was introduced in the Colorado House of Representatives on Tuesday, January 21, 2014 and assigned to the House Business, Labor, Economic, & Workforce Development. The bill sponsors are Representative Randy Fischer and Senator Lois Tochtrop.

HB14 1165 limits retainage to 5% on private construction projects. Currently, 10% retainage is commonly held on private construction projects, a practice that is fast becoming obsolete across the Nation. Presently there are a number of states limiting retainage on private projects to 5%. ASAC specifically cites: New Mexico, Minnesota, Montana, Utah and Tennessee. These states have had a 5% limit on private retainage for more than seven (7) years with others more than ten years. New Mexico has 0% retainage on public and private work that coincides with zero% federal retainage.

Debra Scifo, ASAC Executive Director comments that, "HB 1165 mirrors the Colorado public statute and is reported by members and partners to be the greatest challenge to business growth and job creation. Scifo continues to say, that this bill does not mandate specific payment schedules and does not create new regulatory oversight. Additionally, it does not apply to single family or multi-family or to contracts under \$150,000."

This bill is a natural complement to the limitation of retainage allowed under a public construction contract and is consistent with it. The bill is fair and reasonable to all parties to a contract and is narrowly drafted to target the most significant problem, avoiding many of the broad, controversial options that have been proposed in previous years. It will bring much needed relief to an industry hit hard by recession, and is overdue.

[Read more . . . HB14 1165 FACT SHEET.](#)



PRESS RELEASE

For more information, contact Scott Deering, ASA Colorado, 720.981.7390 or Kristen Thomson, Lobbyist, 303.656.0054.