

## **LEGAL NOTICE**

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### **WHAT SUBCONTRACTORS & SUPPLIERS NEED TO KNOW ABOUT MECHANICS' LIENS . BOND CLAIMS . PROMPT PAYMENT**

*If efforts to collect from a Contractor or Owner are unsuccessful, there are other means,  
provided action is timely.*

#### **Mechanics' Liens**

##### **Suit against Property and Owner**

- Contract is not directly with Owner
- Notice Deadline: 120 Days  
after completion of work or supplying the last of materials.
- Suit Deadline: 180 Days  
after completion of work or supplying the last of materials.

#### **Miller Act**

##### **Suit on Federal Surety Bond**

- Federal Contract
- Notice Deadline: 90 Days  
Notice to General Contractor if there is no contract with Prime Contractor after completion of work or supplying the last of materials.
- Suit Deadline: 1 Year from Work  
after completion of work or supplying the last of materials.

#### **Little Miller Act**

##### **Suit on State Surety Bond**

- State Contract
- Notice Deadline: 90 Days  
Notice to Owner and Surety if there is no contract with Prime Contractor after completion of work or supplying the last of materials.
- Suit Deadline: 1 Year from Substantial Completion after one year of public body's acceptance of the contract.

#### **Prompt Payment**

##### **Private Contracts**

##### *Prime Contract*

- Prime Contractor must be paid thirty (30) days after occupancy permit or owner possession, whichever comes first.
- If a payment date is specified in the contract, payment must be made within seven (7) days after that date.

##### *Subcontract*

- Subcontractor or Supplier must be paid within seven (7) days of Contractor's receipt of Owner's payment for Subcontractor's or Supplier's Work.

##### **State Contracts**

- Subcontractor must be paid undisputed amounts due within ten (10) days from date the Prime Contractor receives a progress or final payment from the State.

##### **Federal Contracts**

- Contractors must be paid within fourteen (14) days of receipt of invoices.
- Retainage must be paid within thirty (30) days after final acceptance, unless contract states otherwise.