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SB-197 Department of Transportation: retention proceeds. (2019-2020)

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Senate Bill No. 197

CHAPTER 842

An act to amend Section 7202 of the Public Contract Code, relating to public contracts.

[Approved by Governor October 12, 2019. Filed with Secretary of State October 12, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 197, Beall. Department of Transportation: retention proceeds.

Existing law prohibits the Department of Transportation, until January 1, 2020, from withholding retention proceeds when making progress payments for work performed by a contractor.

This bill would delete the repeal of this provision, thereby making the prohibition operative indefinitely.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7202 of the Public Contract Code is amended to read:

7202. (a) The Department of Transportation is prohibited from withholding retention proceeds when making progress payments to a contractor for work performed on a transportation project.

(b) Nothing in this section shall alter, amend, or impair the rights, duties, and obligations of an original contractor, its subcontractors, and all subcontractors thereunder, relating to the construction of any public work of improvement as set forth in Section 7200.

(c) The Department of Transportation shall promptly notify the appropriate policy committees of the Legislature if the state's best interests are compromised because retention was not withheld on a transportation project.