

OUTLINE OF CALIFORNIA PROMPT PAYMENT STATUTES

SCOPE	TYPE OF PAYMENT	PAYOR	PAYEE	TIME FOR PAYMENT	PENALTY & LEGAL FEES	BACKCHARGE LIMITS	EFFECTIVE DATE
Private Works Civ Code § 8800	Progress Payments	Owner	Direct Contractor	30 days after receipt of contractor's request for payment	2% per month in lieu of interest Attorneys' fees and costs to prevailing party	No more than 150% of disputed amount	July 1, 2012
Private Works + Civ. Code § 8812-8818	Retention **	Owner	Original Contractor Subcontractor	45 days after date of completion 10 days after receipt from owner	2% per month in lieu of interest Attorneys' fees and costs to prevailing party	No more than 150% of disputed amount	July 1, 2012
Private & Public Works Bus & Prof Code § 7108.5 and Public Cont. Code § 10262.5	Progress Payment	Any prime contractor or subcontractor	Subcontractors (all tiers)	7 days ++ from receipt of funds by contractor *	2% per month in addition to interest Attorneys' fees and costs to prevailing party	No more than 150% of amount disputed in good faith	January 1, 1991
Public Works Pub Cont. Code § 10261.5 and § 10853	Progress Payments	State agency State University	Contractor Contractor	30 days 39 days	10 % per annum; starts earlier if improper rejection by state agency or state university	None express; implied duty of good faith	January 1, 1991
Public Works Pub Cont. Code § 20104.50	Progress Payment	Local government agencies	Contractors	30 days after receipt of contractor's request for payment	10 % per annum; starts earlier if improper rejection by local agency	None express; implied duty of good faith	January 1, 1991
Public Works Civ Code § 3320	Progress and retention	Any public entity	Design professionals	Progress: 30 days from demand Retention: 45 days from demand	1-1½ % per month in lieu of interest Attorneys' fees and costs to prevailing party	No more than 150% of amount disputed in good faith	Contracts entered into after January 1, 1993
Public Works + Pub. Cont. Code § 7107	Retention	Any public entity Original Contractor	Original Contractor Subcontractor	60 days after date of completion 7 days from receipt of funds by original contractor 15 days	2% per month in lieu of interest Attorneys' fees and costs to prevailing party	No more than 150% of amount disputed in good faith	Contracts entered into after January 1, 1993
Public Works Civ Code 3521	All payments	Prime Design Professional	Subconsultant design professional	15 days	1-1 1/2 % interest per month in lieu of interest Attorneys' fees to prevailing party	No more than 150% of disputed amount	January 1, 1996

+ Waiver of any provision prohibited

++ 21 days for public utilities contracts, effective July 1, 2012
Civil Code § 8802

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May be modified by written agreement

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Does not apply to retentions withheld by lender per construction lo agreement

Public Contract Code § 10853, effective January 1, 1993