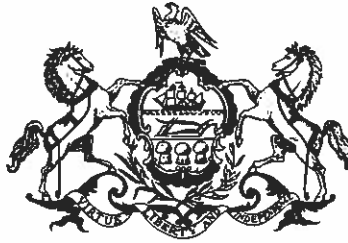


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## House of Representatives COMMONWEALTH OF PENNSYLVANIA HARRISBURG

NEAL P. GOODMAN, MEMBER  
123RD LEGISLATIVE DISTRICT  
G-07 IRVIS OFFICE BUILDING  
P.O. BOX 202123  
HARRISBURG, PENNSYLVANIA 17120-2123  
PHONE: (717) 787-2798  
FAX: (717) 772-9948

P.O. BOX 66  
39 W. CENTRE STREET  
MAHANAOY CITY, PENNSYLVANIA 17948  
PHONE: (570) 773-3075  
FAX: (570) 773-3105  
TOLL-FREE: (866) 861-1311

P.O. BOX 97  
18 NORTH 2ND STREET  
ST. CLAIR, PENNSYLVANIA 17970  
PHONE: (570) 429-1222

615 CENTRE STREET  
ASHLAND, PENNSYLVANIA 17921  
PHONE: (570) 875-2722

## MEMORANDUM

**TO: Members of the House of Representatives**

**FROM: Representative Neal P. Goodman**

**DATE: January 11, 2011**

**SUBJECT: Co-sponsorship of legislation - Allow contractors and subcontractors to suspend work for failure of payment (former HB 972)**

In the near future, I will re-introduce legislation that would allow contractors and subcontractors to suspend performance of a construction contract without penalty if they are not promptly paid for their services and after they have provided seven days' written notice to the party failing to make the required payment.

Currently, the Contractor and Subcontractor Payment Act of 1994 outlines the process by which contractors and subcontractors are paid for work performed. My legislation, similar to provisions already passed in New Jersey, would amend the 1994 act by inserting language to allow for a work suspension without penalty by contractors and subcontractors after providing seven days' written notice if any of the following conditions exist:

- The owner of the construction property (or the contractor in the case of a subcontractor) has not paid as required;
- The owner (or the contractor in the case of a subcontractor) has not provided the contractor/subcontractor a written statement of the withheld amount and the reason for the withholding; or
- The owner (or the contractor) has not engaged in a good faith effort to resolve the reason for withholding.

Pennsylvania's contractors and subcontractors are entitled to prompt payment for the services they provide. This legislation would provide them a much-needed tool to recover those payments.

**Previous co-sponsors:** BELFANTI, BOYD, DeLUCA, GEIST, GEORGE, GIBBONS, HELM, HESS, HORNAMAN, KORTZ, KOTIK, MAHONEY, MILLER, MOUL, SIPTROTH, STABACK, WHEATLEY, MURT, and DENLINGER.

If you would like to join me in support of this legislation, please contact Linda Reed at [lreed@pahouse.net](mailto:lreed@pahouse.net) or 787-2798.