



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2003 Wisconsin Act 157 [2003 Assembly Bill 417]	Retainage on Public Construction Contracts
2003 Acts: www.legis.state.wi.us/2003/data/acts/	Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

Current law provides for “retainage” on public construction contracts. “Retainage” is an amount of money due under the contract that is withheld by the governmental entity until the satisfactory completion of the project, in order to ensure that contractors properly complete the work under the contract.

Under current law, the retainage shall be an amount *equal to 10%* of the estimate, until 50% of the work has been completed. At 50% completion, no additional amounts shall be retained, and partial payments shall be made in full to the contractor unless the architect or engineer certifies that the job is not proceeding satisfactorily. If the job is certified as not proceeding satisfactorily, then additional amounts may be retained, not to exceed 10% of the value of the work completed.

2003 Wisconsin Act 157 changes the amount of retainage from 10% to *not more than 5%* of the estimate until 50% of the work is completed. At 50% completion, the provisions in current law regarding retainage remain unchanged under the Act.

Effective Date: 2003 Wisconsin Act 157 takes effect on March 31, 2004. The provisions of the Act first apply to contracts entered into on or after this date.

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LR:ksm

This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.