

2001 DRAFTING REQUEST

Bill

Received: **12/29/2001**

Received By: **kuesejt**

Wanted: **Soon**

Identical to LRB:

For: **Administration-Budget 6-7597**

By/Representing: **Mawdsley**

This file may be shown to any legislator: **NO**

Drafter: **kuesejt**

May Contact:

Adl. Drafters: **shoveme**

Subject: **State Government - state bldg pr
Munis - miscellaneous
Counties - miscellaneous**

Extra Copies:

Submit via email: **NO**

Pre Topic:

DOA:.....Mawdsley -

Topic:

Retainage on public construction contracts

Instructions:

See Attached.

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kuesejt 01/04/2002 shoveme 01/07/2002	jdyer 01/08/2002		_____			S&L
/1			jfrantze 01/08/2002	_____	lrb_docadmin 01/08/2002		S&L
/2	shoveme 01/11/2002	jdyer 01/11/2002	kfollet 01/11/2002	_____	lrb_docadmin 01/11/2002		S&L

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/3	shoveme 01/14/2002	jdye 01/14/2002	pgreensl 01/14/2002	_____	lrb_docadmin 01/14/2002		S&L
/4	shoveme 01/15/2002	jdye 01/16/2002	rschlue 01/16/2002	_____	lrb_docadmin 01/16/2002		

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<END>

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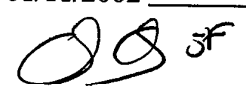
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/2	shoveme 01/11/2002	jdyer 01/11/2002	kfollet 01/11/2002	_____	lrb_docadmin 01/11/2002		S&L

14 1/16 jld

1-16-2

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/3	shoveme 01/14/2002	jdyer 01/14/2002	pgreensl 01/14/2002	_____	lrb_docadmin 01/14/2002		

(4 MES 1/15/02)
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/?	kuesejt 01/04/2002 shoveme 01/07/2002	jdyer 01/08/2002 1/2 1/14 jld		<u>1/14</u> <u>pg 1</u> JK			S&L
/1			jfrantze 01/08/2002		lrb_docadmin 01/08/2002		S&L
/2	shoveme 01/11/2002	jdyer 01/11/2002	kfollet 01/11/2002		lrb_docadmin 01/11/2002		

13 MES 1/14/02 1/14 pg

01/11/2002 03:29:53 PM

Page 2

LRB-4507

FE Sent For:

<END>

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/?	kuesejt 01/04/2002	jdyer 01/08/2002		_____			S&L
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	shoveme 01/07/2002	<i>1/2/11 jw</i>		_____			
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/1			jfrantze 01/08/2002	_____	lrb_docadmin 01/08/2002		
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12 MES 951K 1/11/02

FE Sent For:

1/11 *1/11*

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1?	kuesejt	1/8 jld	1/8	1/8			
/ (MES) JTK 4/7/02							

FE Sent For:

<END>

CORRESPONDENCE MEMORANDUM

**STATE OF WISCONSIN
Department of Administration**

Date: December 21, 2001
To: Steve Miller
Chief, Legislative Reference Bureau
From: Kate Mawdsley *KM*
ECR Team, State Budget Office
Subject: 2001-03 Budget Adjustment Bill Drafting Request

The following is a drafting request for the 2001-03 budget adjustment bill. If you have any questions, please contact me at 266-7597 or kathryn.mawdsley@doa.state.wi.us.

The intent of this request is to modify the amount of construction payments retained on state and municipal construction projects and to allow those funds to be retained for the full term of a construction project.

It is proposed that the language under s.16.855(19) and s.66.0903(9)(b) be revised to indicate that the retainage shall be an amount equal to no more than 5% of the estimated value of the work completed and that the amount may be retained through the duration of a project, rather than until 50% of the work has been completed.

JTK

Retainage Requirements Flexibility

DOA

Agency #505

2001

Date (time) needed

SOON

LRB-4507, 1

DOA BUD. ADJUST. DRAFT

STC+MES: JLD

Use the appropriate components and routines developed for bills.

>>FOR 2001-03 BUD. ADJUST. — NOT READY FOR INTRODUCTION<<

AN ACT ... [DO NOT generate catalog]; relating to: the re-organization of public construction contracts.

Analysis by the Legislative Reference Bureau

TNS 1

If titles are needed in the analysis, in the component bar:

For the main heading, execute: create -> anal: -> title: -> head

For the subheading, execute: create -> anal: -> title: -> sub

For the sub-subheading, execute: create -> anal: -> title: -> sub-sub

For the analysis text, in the component bar:

For the text paragraph, execute: create -> anal: -> text

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION #.



LFB:.....Olin - Retainage amount on public contracts
FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION
LFB AMENDMENT
TO 2001 SENATE BILL 55 AND 2001 ASSEMBLY BILL 144

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At the locations indicated, amend the bill as follows:

1. Page 254, line 6: after that line insert:

~~SECTION 321.10~~ 16.855 (19) of the statutes is amended to read:

16.855 (19) As the work progresses under any contract for construction the department, from time to time, shall grant to the contractor an estimate of the amount and proportionate value of the work done, which shall entitle the contractor to receive the amount thereof, less the ~~retaining~~ ^{retainage}, from the proper fund. On all construction projects, the retainage shall be an amount equal to ~~10%~~ ^{5%} of said estimate until ~~50%~~ ^{100%} 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. At 50% completion or any time thereafter when the progress of the~~

↑
STRIKE

1 ~~work is not satisfactory, additional amounts may be retained but in no event shall~~
2 ~~the total retainage be more than 10% ^{0%} of the value of the work completed.~~ Upon
3 substantial completion of the work, an amount retained may be paid to the
4 contractor. For the purposes of this section, estimates may include any fabricated
5 or manufactured materials and components specified, previously paid for by
6 contractor and delivered to the work or properly stored and suitable for incorporation
7 in the work embraced in the contract. This subsection does not apply to contracts
8 awarded under s. 16.858.

9 **2.** Page 911, line 4: after that line insert:

10 **SECTION 2026m.** 66.0901 (9) (b) of the statutes is amended to read:

11 66.0901 (9) (b) *Retained percentages.* As the work progresses under a contract
12 involving \$1,000 or more for the construction, execution, repair, remodeling or
13 improvement of a public work or building or for the furnishing of supplies or
14 materials, regardless of whether proposals for the contract are required to be
15 advertised by law, the municipality, from time to time, shall grant to the contractor
16 an estimate of the amount and proportionate value of the work done, which entitles
17 the contractor to receive the amount of the estimate, less the retainage, from the
18 proper fund. The retainage shall be an amount equal to 10% 5% of the estimate until
19 ~~50%~~ ^{100%} of the work has been completed. ~~At 50% completion, further partial payments~~
20 ~~shall be made in full to the contractor and no additional amounts may be retained~~
21 ~~unless the architect or engineer certifies that the job is not proceeding satisfactorily,~~
22 ~~but amounts previously retained shall not be paid to the contractor. At 50%~~
23 ~~completion or any time after 50% completion when the progress of the work is not~~
24 ~~satisfactory, additional amounts may be retained but the total retainage may not be~~

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~~more than 10% (11%) of the value of the work completed.~~ Upon substantial completion of the work, an amount retained may be paid to the contractor. When the work has been substantially completed except for work which cannot be completed because of weather conditions, lack of materials or other reasons which in the judgment of the municipality are valid reasons for noncompletion, the municipality may make additional payments, retaining at all times an amount sufficient to cover the estimated cost of the work still to be completed or may pay out the entire amount retained and receive from the contractor guarantees in the form of a bond or other collateral sufficient to ensure completion of the job. For the purposes of this section, estimates may include any fabricated or manufactured materials and components specified, previously paid for by the contractor and delivered to the work or properly stored and suitable for incorporation in the work embraced in the contract.

3. Page 1815, line 25: after that line insert:

(11) RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS. The treatment of sections 16.855 (19) and 66.0901 (9) (b) of the statutes first applies with respect to contracts entered into on the effective date of this subsection.

(END)

{ SECTION 9359. Initial applicability; other.

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4507/1insJTK&MES
JTK&MES.....

INS 1

LOCAL GOVERNMENT ✓

Currently, as work proceeds on a contract involving \$1,000 or more for the construction, execution, repair, remodeling, or improvement of a public work or building, or for the furnishing of certain supplies or materials, a municipality (defined as the state or a city, village, town, school district, sewer district, drainage district, technical college district, or certain other public or quasi-public entities) makes payments to the contractors but the municipality retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the municipality retains 5% of the value of the work to be performed and this amount may be retained until project completion.

STATE GOVERNMENT

STATE BUILDING PROJECTS PROGRAM ← subhead

Currently, as work proceeds on a state building project, the state makes payments to the contractors, but the state retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the state retains 5% of the value of the work to be performed and this amount may be retained until project completion.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

(end ins 1)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB 4507/D
JTK&MES:jld:jf

KMR

DOA:.....Mawdsley - Retainage on public construction contracts

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

Don't
Gen

1 AN ACT ...; relating to: the retainage on public construction contracts.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

Currently, as work proceeds on a contract involving \$1,000 or more for the construction, execution, repair, remodeling, or improvement of a public work or building, or for the furnishing of certain supplies or materials, a municipality (defined as the state or a city, village, town, school district, sewer district, drainage district, technical college district, or certain other public or quasi-public entities) makes payments to the contractors but the municipality retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the municipality retains 5% of the value of the work to be performed and this amount may be retained until project completion.

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STATE GOVERNMENT

STATE BUILDING PROGRAM

Currently, as work proceeds on a state building project, the state makes payments to the contractors, but the state retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the state retains 5% of the value

not more than

of the work to be performed and this amount may^{but need not,} be retained until project completion.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 16.855 (19) of the statutes is amended to read:

2 16.855 (19) As the work progresses under any contract for construction the
3 department, from time to time, shall grant to the contractor an estimate of the
4 amount and proportionate value of the work done, which shall entitle the contractor
5 to receive the amount thereof, less the ~~retaining~~ retainage, from the proper fund. On
6 all construction projects, the retainage shall be an amount equal to 10% ^{not more than} 5% of said
7 estimate until 50% 100% of the work has been completed. [↓] At 50% completion, ~~no~~
8 ~~additional amounts shall be retained, and partial payments shall be made in full to~~
9 ~~the contractor unless the architect or engineer certifies that the job is not proceeding~~
10 ~~satisfactorily. At 50% completion or any time thereafter when the progress of the~~
11 ~~work is not satisfactory, additional amounts may be retained but in no event shall~~
12 ~~the total retainage be more than 10% of the value of the work completed.~~ Upon ^{plain}
13 substantial completion of the work, an amount retained may be paid to the
14 contractor. For the purposes of this section, estimates may include any fabricated
15 or manufactured materials and components specified, previously paid for by
16 contractor and delivered to the work or properly stored and suitable for incorporation
17 in the work embraced in the contract. This subsection does not apply to contracts
18 awarded under s. 16.858.

19 SECTION 2. 66.0901 (9) (b) of the statutes is amended to read:

except that, if the department determines that the project
is proceeding satisfactorily, the amount retained may be paid to the
contractor before 100% of the work is completed

1 66.0901 (9) (b) *Retained percentages.* As the work progresses under a contract
2 involving \$1,000 or more for the construction, execution, repair, remodeling or
3 improvement of a public work or building or for the furnishing of supplies or
4 materials, regardless of whether proposals for the contract are required to be
5 advertised by law, the municipality, from time to time, shall grant to the contractor
6 an estimate of the amount and proportionate value of the work done, which entitles
7 the contractor to receive the amount of the estimate, less the retainage, from the
8 proper fund. The retainage shall be an amount equal to ~~10%~~ ^{not more than 5%} of the estimate until
9 ~~50%~~ 100% of the work has been completed. ~~At 50% completion, further partial~~
10 ~~payments shall be made in full to the contractor and no additional amounts may be~~
11 ~~retained unless the architect or engineer certifies that the job is not proceeding~~
12 ~~satisfactorily, but amounts previously retained shall not be paid to the contractor.~~
13 ~~At 50% completion or any time after 50% completion when the progress of the work~~
14 ~~is not satisfactory, additional amounts may be retained but the total retainage may~~
15 ~~not be more than 10% of the value of the work completed.~~ ^{plain} Upon substantial
16 completion of the work, an amount retained may be paid to the contractor. When the
17 work has been substantially completed except for work which cannot be completed
18 because of weather conditions, lack of materials or other reasons which in the
19 judgment of the municipality are valid reasons for noncompletion, the municipality
20 may make additional payments, retaining at all times an amount sufficient to cover
21 the estimated cost of the work still to be completed or may pay out the entire amount
22 retained and receive from the contractor guarantees in the form of a bond or other
23 collateral sufficient to ensure completion of the job. For the purposes of this section,
24 estimates may include any fabricated or manufactured materials and components
, except that, if the municipality determines that the job is proceeding satisfactorily, an amount retained may be paid to the contractor before 100% of the work is completed.

1 specified, previously paid for by the contractor and delivered to the work or properly
2 stored and suitable for incorporation in the work embraced in the contract.

3 **SECTION 9359. Initial applicability; other.**

4 (1) **RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS.** The treatment of sections
5 16.855 (19) and 66.0901 (9) (b) of the statutes first applies with respect to contracts
6 entered into on the effective date of this subsection.

7 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4507/2
JTK&MES:jld:kjf

DOA:.....Mawdsley - Retainage on public construction contracts

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the retainage on public construction contracts.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

Currently, as work proceeds on a contract involving \$1,000 or more for the construction, execution, repair, remodeling, or improvement of a public work or building, or for the furnishing of certain supplies or materials, a municipality (defined as the state or a city, village, town, school district, sewer district, drainage district, technical college district, or certain other public or quasi-public entities) makes payments to the contractors but the municipality retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the municipality retains not more than 5% of the value of the work to be performed and this amount may, but need not, be retained until project completion.

STATE GOVERNMENT

STATE BUILDING PROGRAM

Currently, as work proceeds on a state building project, the state makes payments to the contractors, but the state retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the state retains not more than

5% of the value of the work to be performed and this amount may, but need not, be retained until project completion.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 16.855 (19) of the statutes is amended to read:

2 16.855 (19) As the work progresses under any contract for construction the
3 department, from time to time, shall grant to the contractor an estimate of the
4 amount and proportionate value of the work done, which shall entitle the contractor
5 to receive the amount thereof, less the ~~retaining~~ retainage, from the proper fund. On
6 all construction projects, the retainage shall be an amount equal to ~~10%~~ not more
7 than 5% of said estimate until ~~50%~~ 100% of the work has been completed. ~~At 50%~~
8 ~~completion, no additional amounts shall be retained, and partial payments shall be~~
9 ~~made in full to the contractor unless the architect or engineer certifies that the job~~
10 ~~is not proceeding satisfactorily. At 50% completion or any time thereafter when the~~
11 ~~progress of the work is not satisfactory, additional amounts may be retained but in~~
12 ~~no event shall the total retainage be more than 10% of the value of the work~~
13 ~~completed, except that, if the department determines that the project is proceeding~~
14 satisfactorily, the amount retained may be paid to the contractor before 100% of the
15 work is completed. Upon substantial completion of the work, an amount retained
16 may be paid to the contractor. For the purposes of this section, estimates may include
17 any fabricated or manufactured materials and components specified, previously paid
18 for by contractor and delivered to the work or properly stored and suitable for
19 incorporation in the work embraced in the contract. This subsection does not apply
20 to contracts awarded under s. 16.858.

1 **SECTION 2.** 66.0901 (9) (b) of the statutes is amended to read:

2 66.0901 (9) (b) *Retained percentages.* As the work progresses under a contract
3 involving \$1,000 or more for the construction, execution, repair, remodeling or
4 improvement of a public work or building or for the furnishing of supplies or
5 materials, regardless of whether proposals for the contract are required to be
6 advertised by law, the municipality, from time to time, shall grant to the contractor
7 an estimate of the amount and proportionate value of the work done, which entitles
8 the contractor to receive the amount of the estimate, less the retainage, from the
9 proper fund. The retainage shall be an amount equal to ~~10%~~ not more than 5% of the
10 estimate until ~~50%~~ 100% of the work has been completed. ~~At 50% completion, further~~
11 ~~partial payments shall be made in full to the contractor and no additional amounts~~
12 ~~may be retained unless the architect or engineer certifies that the job is not~~
13 ~~proceeding satisfactorily, but amounts previously retained shall not be paid to the~~
14 ~~contractor. At 50% completion or any time after 50% completion when the progress~~
15 ~~of the work is not satisfactory, additional amounts may be retained but the total~~
16 ~~retainage may not be more than 10% of the value of the work completed, except that,~~
17 if the municipality determines that the job is proceeding satisfactorily, an amount
18 retained may be paid to the contractor before 100% of the work is completed. Upon
19 substantial completion of the work, an amount retained may be paid to the
20 contractor. When the work has been substantially completed except for work which
21 cannot be completed because of weather conditions, lack of materials or other
22 reasons which in the judgment of the municipality are valid reasons for
23 noncompletion, the municipality may make additional payments, retaining at all
24 times an amount sufficient to cover the estimated cost of the work still to be
25 completed or may pay out the entire amount retained and receive from the contractor

SECTION 2

1 guarantees in the form of a bond or other collateral sufficient to ensure completion
2 of the job. For the purposes of this section, estimates may include any fabricated or
3 manufactured materials and components specified, previously paid for by the
4 contractor and delivered to the work or properly stored and suitable for incorporation
5 in the work embraced in the contract.

SECTION 9359. Initial applicability; other.

7 (1) RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS. The treatment of sections
8 16.855 (19) and 66.0901 (9) (b) of the statutes first applies with respect to contracts
9 entered into on the effective date of this subsection.

10 (END)



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-450712
JTK&MES:jld:kjf

LMR

DOA:.....Mawdsley - Retainage on public construction contracts

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

do not gen

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LOCAL GOVERNMENT

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STATE GOVERNMENT

in whole or in part ✓

STATE BUILDING PROGRAM

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 SECTION 1. 16.855 (19) of the statutes is amended to read:

2 16.855 (19) As the work progresses under any contract for construction the
3 department, from time to time, shall grant to the contractor an estimate of the
4 amount and proportionate value of the work done, which shall entitle the contractor
5 to receive the amount thereof, less the retaining retainage, from the proper fund. On
6 all construction projects, the retainage shall be an amount equal to 10% not more
7 than 5% of said estimate until 50% 100% of the work has been completed. ~~At 50%~~
8 ~~completion, no additional amounts shall be retained, and partial payments shall be~~
9 ~~made in full to the contractor unless the architect or engineer certifies that the job~~
10 ~~is not proceeding satisfactorily. At 50% completion or any time thereafter when the~~
11 ~~progress of the work is not satisfactory, additional amounts may be retained but in~~
12 ~~no event shall the total retainage be more than 10% of the value of the work~~
13 ~~completed, except that, if the department determines that the project is proceeding~~
14 satisfactorily, ^{all or part of} the amount retained may be paid to the contractor before 100% of the
15 work is completed. Upon substantial completion of the work, an amount retained
16 may be paid to the contractor. For the purposes of this section, estimates may include
17 any fabricated or manufactured materials and components specified, previously paid
18 for by contractor and delivered to the work or properly stored and suitable for
19 incorporation in the work embraced in the contract. This subsection does not apply
20 to contracts awarded under s. 16.858.

1 SECTION 2. 66.0901 (9) (b) of the statutes is amended to read:

2 66.0901 (9) (b) *Retained percentages.* As the work progresses under a contract
3 involving \$1,000 or more for the construction, execution, repair, remodeling or
4 improvement of a public work or building or for the furnishing of supplies or
5 materials, regardless of whether proposals for the contract are required to be
6 advertised by law, the municipality, from time to time, shall grant to the contractor
7 an estimate of the amount and proportionate value of the work done, which entitles
8 the contractor to receive the amount of the estimate, less the retainage, from the
9 proper fund. The retainage shall be an amount equal to ~~10%~~ not more than 5% of the
10 estimate until ~~50%~~ 100% of the work has been completed. ~~At 50% completion, further~~
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16 ~~retainage may not be more than 10% of the value of the work completed, except that,~~
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18 retained may be paid to the contractor before 100% of the work is completed. Upon
19 substantial completion of the work, an amount retained may be paid to the
20 contractor. When the work has been substantially completed except for work which
21 cannot be completed because of weather conditions, lack of materials or other
22 reasons which in the judgment of the municipality are valid reasons for
23 noncompletion, the municipality may make additional payments, retaining at all
24 times an amount sufficient to cover the estimated cost of the work still to be
25 completed or may pay out the entire amount retained and receive from the contractor

1 guarantees in the form of a bond or other collateral sufficient to ensure completion
2 of the job. For the purposes of this section, estimates may include any fabricated or
3 manufactured materials and components specified, previously paid for by the
4 contractor and delivered to the work or properly stored and suitable for incorporation
5 in the work embraced in the contract.

6 **SECTION 9359. Initial applicability; other.**

7 (1) RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS. The treatment of sections
8 16.855 (19) and 66.0901 (9) (b) of the statutes first applies with respect to contracts
9 entered into on the *first day of the third month beginning after the* effective date of this subsection.

10 (END)

3rd



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-45074
JTK&MES:jld:pg

RMR

DOA:.....Mawdsley - Retainage on public construction contracts

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

do not pass

1 AN ACT ..., relating to: the retainage on public construction contracts.

Analysis by the Legislative Reference Bureau

LOCAL GOVERNMENT

Currently, as work proceeds on a contract involving \$1,000 or more for the construction, execution, repair, remodeling, or improvement of a public work or building, or for the furnishing of certain supplies or materials, a municipality (defined as the state or a city, village, town, school district, sewer district, drainage district, technical college district, or certain other public or quasi-public entities) makes payments to the contractors but the municipality retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the municipality retains not more than 5% of the value of the work to be performed and this amount may, but need not, be retained in whole or in part until project completion.

STATE GOVERNMENT

STATE BUILDING PROGRAM

Currently, as work proceeds on a state building project, the state makes payments to the contractors, but the state retains 10% of the value of the work to be performed until 50% of the value of the work is completed. After this point, there is no retainage unless progress is not satisfactory, but the total retainage may never exceed 10% of the value of the work. Under this bill, the state retains not more than

5% of the value of the work to be performed and this amount may, but need not, be retained in whole or in part until project completion.

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15 100% of the work is completed. Upon substantial completion of the work, an amount
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17 may include any fabricated or manufactured materials and components specified,
18 previously paid for by contractor and delivered to the work or properly stored and
19 suitable for incorporation in the work embraced in the contract. This subsection does
20 not apply to contracts awarded under s. 16.858.

INS 1-20 →

1 **SECTION 2.** 66.0901 (9) (b) of the statutes is amended to read:

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6 **SECTION 9359. Initial applicability; other.**

7 (1) RETAINAGE AMOUNT ON PUBLIC WORKS CONTRACTS. The treatment of sections
8 16.855 (19) and 66.0901 (9) ^(a) of the statutes first applies with respect to contracts
9 entered into on the first day of the 3rd month beginning after the effective date of this
10 subsection.

11 (END)

INS 1-20

Section #. 66.0901 (9) (a) of the statutes is amended to read:

66.0901 (9) (a) Notwithstanding sub. (1) (a), in this subsection, "municipality" does not include the department of transportation. state

History: 1971 c. 154; 1975 c. 390; 1983 a. 27; 1991 a. 316; 1993 a. 112, 399, 490, 491; 1999 a. 150 ss. 257, 258, 328 to 334; Stats. 1999 s. 66.0901; 1999 a. 186 s. 50.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-4507/4
JTK&MES:jld:rs

DOA:.....Mawdsley – Retainage on public construction contracts

FOR 2001-03 BUDGET — NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the retainage on public construction contracts.

Analysis by the Legislative Reference Bureau

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24 (END)