



Chapter 464 Laws of N.J. 1979  
Approved 2/27/80  
Senate Committee Substitute for SENATE, No. 3250

# State of New Jersey

**Adopted December 6, 1979**

**By Senators Bedell and Friedland**

**A Supplement to the "Local Public Contracts Law," approved  
June 9, 1971 (P.L. 1971, c. 198; C. 40A :11-1 et seq.).**

***Be it enacted by the Senate and General Assembly of the State of New Jersey:***

Any contract or agreement, the total price of which exceeds \$100,000.00, entered into by a contracting unit involving the construction, reconstruction, alteration, repair or maintenance of any building, structure, facility or other improvement to real property, shall provide for partial payments to be made at least once each month as the work progresses, unless the contractor shall agree to deposit bonds with the contracting unit pursuant to P.L. 1979, c. 152 (C. 40A :11-16.1), 2% of the amount due on each.

With respect to any contract or agreement entered into by a contracting unit pursuant to section 1 of this act for which the contractor shall agree to the withholding of payments pursuant to P.L. 1979, c. 152 (C. 40A :11-16.1), 2% of the amount due on each partial payment shall be withheld by the contracting unit pending completion of the contract or agreement.

Any contract or agreement entered into by a contracting unit pursuant to section 1 of this act may also provide for partial payments at least once in each month with respect to all materials placed along or upon the site, or stored at secured locations, which are suitable for use in the execution of the contract or agreement, if the person providing the materials furnishes releases of liens for the materials at the time each estimate of work is submitted for payment. The total of all the partial payments shall not exceed the cost of the materials.

This act shall take effect 30 days after enactment, and shall apply only to contracts or agreements entered into after the effective date of the act.