



## Key Elements of Prompt Payment & Amendments to Builders' Lien Act

### Prompt Payment

- Once a “proper invoice” has been received, a company has 28-days to pay all amounts.
  - The Payor has 14 days to issue a dispute notice to the Payee.
  - The Payor has 28 days to pay all amounts in the "proper invoice" that have not been properly disputed.
  - Interest begins to accrue in accordance with the prescribed rates on any amounts included in a proper invoice that are unpaid and due.
- Details on proper invoices may be expanded upon but currently include:
  - (a) the contractor's or subcontractor's name and business address;
  - (b) the date of the proper invoice and the period during which the work was done or materials were furnished;
  - (c) information identifying the authority, whether in a written or verbal contract or otherwise, under which the work was done or materials were furnished;
  - (d) a description of the work done or materials furnished;
  - (e) the amount requested for payment and the corresponding payment terms broken down for the work done or materials furnished;
  - (f) the name, title and contact information of the person to whom the payment is to be sent;
  - (g) a statement indicating that the invoice provided is intended to constitute a proper invoice;
  - (h) any other information that may be prescribed.

### Adjudication

- Once a dispute notice has been issued, a party may refer the matter to adjudication.
- Decisions will be binding and judicial review will be limited to certain defined issues.

### Extended Lien Periods

- Bill 37 will extend certain time periods in the current BLA applicable to the registration of a lien and the retention or release of lien (holdback) funds.
- Where those time periods are 45 days under the *Builders' Lien Act* they will be extended to 60 days.
- Where the work is done or the materials are concrete, those time periods will be extended to 90 days.
- Minimum lien amount has increased from \$300 to \$700.

## Prohibition of Pay-When-Paid Clauses

- Pay-When-Paid clauses have been prohibited.

## Holdback Release

- If provided for in the contract, no liens have been registered and certain other conditions are met, Bill 37 will allow holdback funds to be released at pre-established times unrelated to the completion or the issuance of a Certificate of Substantial Performance.

## Right to Demand Information

- Bill 37 expands the list of those entitled to demand financial information.
- Allows any person involved with a project or contract (not just the lienholder, as is currently the case) to request a statement of accounts from the general contractor or project owner.

***For additional information, please refer to the Government of Alberta's [Prompt Payment website](#).***