

# ATT: LBMAO MEMBERS

## RE: BILL 69 PROMPT PAYMENT ACT, ONTARIO - YOUR INPUT NEEDED

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In 2013, a private members bill was introduced into the provincial legislature that addresses the need for prompt payment to contractors and sub-contractors for work completed. A summary of the Act is as follows:

### Bill 69: Prompt Payment Act, 2013

- The Act would apply to every construction contract in Ontario
- Progress payments will be made on a monthly basis at the minimum
- Final payment to be made no less than 30 days after application for payment has been made
- A payee has the right to suspend work and enforce lien rights if a payer is more than 7 days late
- A payee has the right to information on the scheduled due dates for progress payments to a payer and the payer's receipt of those payments
- A general contractor and sub-contractor have the right to reasonable financial information regarding the owner's financial arrangements to meet its payment obligations

### Why it's important

- General contractors and trade contractors working on construction projects deserve to be paid in a timely fashion for the work they have completed, like any other business operating in Ontario
- Prompt Payment legislation has been adopted in many other jurisdictions including the US, UK, Australia, Ireland and New Zealand. The EU has also recently adopted a motion to require all members to enact prompt payment legislation.
- Ontario needs to lead the way in Canada by enacting prompt payment legislation that supports small business construction owners by ensuring all contractors are paid in a timely fashion for the work they have completed.
- Prompt Payment legislation will create more construction jobs, encourage greater use of apprentices, enable more investment into machinery and equipment and lower the cost of construction.
- Everyone deserves to be paid on time!

Quite simply for you retail members, the faster your contractor customers get paid, the faster you get paid. Therefore, the Act does have a bearing on our industry. As it sits right now, the Act is sitting in committee and has not been reviewed in over a year. The committee has deferred on discussion of the Act, as the Act needs more consultation with the public and they also wish to review the "Construction Lien Act" to determine if it needs amendments that would cover most of the important issues in bill 69. From our point of view, the Act will probably not get passed in the house as most MPPs don't have an interest in it. If we wish to communicate to our MPP's on behalf of our members, we need to know if the passing of this Act would have an impact on your business.

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**Please answer the following survey and return it to the LBMAO by e-mail ([dwcampbell@lbmao.on.ca](mailto:dwcampbell@lbmao.on.ca)) or by fax: (905) 625-3006.**

1. Are you aware of Bill 69, The Prompt Payment Act of Ontario:      Yes          No
2. Are you in support of the Act:      Yes          No
3. Would you consider making a financial contribution to a 3rd party to help finance a campaign to move the act forward:      Yes          No

COMMENTS: \_\_\_\_\_

NAME: \_\_\_\_\_ STORE: \_\_\_\_\_

If we were to take a position on the Act, we need direction from our members to determine if there is an interest to see it passed. We appreciate your input!