

NOTICE TO BIDDERS

Minnesota Statutes that require prompt payment to subcontractors:

471.425 Prompt payment of local government bills.

Subd. 1. Definitions. For the purposes of this section, the following terms have the meanings here given them.

(d) "Municipality" means any home rule charter or statutory city, county, town, school district, political subdivision or agency of local government. "Municipality" means the metropolitan council or any board or agency created under chapter 473.

Subd. 4a. Prompt payment to subcontractors.

Each contract of a municipality must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the municipality for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action.

HIST: 1985 c 136 s 5; 1995 c 31 s 1