

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1027  
Committee Substitute Favorable 5/1/91  
Senate Judiciary I Committee Substitute Adopted 7/2/91

Short Title: Subcontractor Payment.

(Public)

Sponsors:

Referred to:

April 19, 1991

1 A BILL TO BE ENTITLED  
2 AN ACT TO PROVIDE THAT PAYMENT OF A CONTRACTOR OR  
3 SUBCONTRACTOR IS NOT A CONDITION PRECEDENT FOR PAYMENT TO  
4 ANY SUBCONTRACTOR.

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 22C-2 reads as rewritten:

7 "**§ 22C-2. Performance by subcontractor.**

8 Performance by a subcontractor in accordance with the provisions of its contract  
9 shall entitle it to payment from the party with whom it contracts. Payment by the owner  
10 to a contractor is not a condition precedent for payment to a subcontractor and payment  
11 by a contractor to a subcontractor is not a condition precedent for payment to any other  
12 subcontractor, and an agreement to the contrary is unenforceable."

13 Sec. 2. This act is effective upon ratification and applies to those contracts  
14 entered into on or after ratification.