

**California Prompt Payment Statutes
Public and Private Works of Improvement**

Type	Payor	Payee	Payment Type	Timing	Waivable	Disputed Amounts	Penalty & Attorney Fees	Statute
Public Works	Public Entity	Prime Contractor	Payment Request	30 days after receipt of undisputed payment request	Not addressed	Payment request determined not to be proper must be returned to the direct contractor not later than 7 days after receipt.	10% interest per year	Public Contract Code § 10261.5
Public Works	Any Prime or Subcontractor	Subcontractor (all tiers)	Progress Payments	7 days after receipt	Yes, waivable in writing.	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month, plus interest; attorney fees and costs to prevailing party	Business and Professions Code § 7108.5
Public Works	Any Prime or Subcontractor	Subcontractor (all tiers)	Progress Payments	7 days after receipt	Not addressed	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month, plus interest; attorney fees and costs to prevailing party	Public Contract Code § 10262, § 10262.5
Public Works	Public Entity	Prime Contractor	Retention	60 days after Date of Completion	No	Dispute over retention can withhold no more than 150% of disputed amount	2% of the amount due per month in lieu of interest; attorney fees and costs to prevailing party	Public Contract Code § 7107
Public Works	Prime Contractor	Subcontractor	Retention	7 days after receiving any or all portion of retention	No	Bona fide dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month in lieu of interest; attorney fees and costs to prevailing party	Public Contract Code § 7107
Public Utility Contracts	Prime Contractor	Subcontractor	Progress Payments	21 days after receipt	Yes, waivable in writing.	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month, plus interest; attorney fees and costs to prevailing party	Civil Code § 8802
California State University Projects	Cal State University	Prime Contractor	Payment Request	39 days after receipt of undisputed and properly submitted payment request	Not addressed	Payment request determined not to be proper must be returned to the direct contractor not later than 7 days after receipt.	10% interest per year	Public Contract Code § 10853
Local Public Works	Local Agency	Prime Contractor	Payment Request	30 days after receipt of undisputed and properly submitted payment request	Not addressed	Payment request determined not to be proper must be returned to the direct contractor not later than 7 days after receipt.	10% interest per year	Public Contract Code § 20104.5
Private Works	Owner	Prime Contractor	Payment Request	30 days after notice demanding payment	Yes, waivable in writing.	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month in lieu of interest; attorney fees and costs to prevailing party	Civil Code § 8800
Private Works	Any Prime or Subcontractor	Subcontractor (all tiers)	Progress Payments	7 days after receipt	Yes, waivable in writing.	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month, plus interest; attorney fees and costs to prevailing party	Business and Professions Code § 7108.5
Public Works	Owner	Prime Contractor	Retention	45 days after Date of Completion	No (Civ. Co. §8820)	Dispute over retention can withhold no more than 150% of disputed amount	2% of the amount due per month in lieu of interest; attorney fees and costs to prevailing party	Civil Code § 8812, 8818
Public Works	Prime Contractor	Subcontractor	Retention	10 days after receiving any or all portion of retention	No (Civ. Co. §8820)	Good faith dispute over all or any portion can withhold no more than 150% of disputed amount	2% of the amount due per month in lieu of interest; attorney fees and costs to prevailing party	Civil Code § 8814, 8818

***This list is not exhaustive and only