



**For Immediate Release**

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**STA Celebrates Landmark NYS Legislation  
Limiting Retainage for Private Commercial Projects  
New Law Caps Commercial Private Project Retainage at 5 Percent**

New York, NY, November 29, 2023 – Subcontractors Trade Association (STA) proudly announced a new NYS law that delivers substantial benefits and crucial protections for subcontractors.

On November 17, Governor Kathy Hochul signed legislation that imposes a significant limitation on retainage for private commercial projects. The new law caps retainage at a maximum of five percent of the contract price from the inception of the project and applies to an owner's withholding retainage from a contractor, as well as a contractor's retainage withheld from a subcontractor. Another new requirement included in the law is the timely release of retainage upon the substantial completion of private work.

The groundbreaking law is the result of persistent, collaborative advocacy by the Empire State Subcontractors Association (ESSA), a coalition of four subcontractor associations which includes STA, and AGC New York. The new law represents a fundamental shift toward greater financial stability and equitable treatment for all involved in private construction projects within the state.

"This legislation is a game-changer for New York's subcontractors and suppliers and will ensure fairer practices and better support the financial health of union subcontractors," said STA Executive Director Felice Farber.

## 2 Five Percent Retainage Press Release

“We applaud the governor for recognizing the importance of this legislation,” added STA Legislative Committee Chair Arthur Rubinstein. “The action demonstrates the governor’s support for the subcontracting community and for the financial well-being of our state’s hard-working small businesses.”

“As more owners, both public and private, have discovered the hidden cost and relative ineffectiveness of holding large amounts of retainage, the trend in the construction industry nationwide has been toward reducing, eliminating or using alternatives to retainage. We’re very pleased New York has moved in this direction,” said Michael Misenheimer, Executive Director of Northeaster Subcontractors Association.

The signing of this legislation represents the culmination of an effort that started many years ago with a joint AGC NYS/ESSA Task Force which set out to find mutually agreeable ways to reform both the Public and Private Work Prompt Payment Laws. “It is important we make the law as workable as possible such that it minimizes risk to all parties and for our part, the General Contractor/Construction Manager,” said Joseph Hogan, Vice President, Building Services, AGC NYS.

**About STA.** Subcontractors Trade Association (STA) is New York’s leading Association of union subcontractors. STA is your advocate to improve and enhance your economic position in New York by protecting your interest through legislation, providing education, and offering a unique networking connection giving you the opportunity to grow your business. For more information on STA, visit: [www.stanyc.com](http://www.stanyc.com)