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As you are aware, the Prompt Payment and Construction Lien Act takes effect today. It is critical to understand whether the new legislation - prompt payment, extended builders' lien periods, and adjudication process - applies to you and the project in question.

The following are the new legislation's transitional provisions:

1. Anyone performing work, providing services, or furnishing goods or materials in connection with a land improvement must comply with the new legislation.
2. The new legislation does not apply to Public Works projects, Public-Private Partnerships with the Government of Alberta, Federal Government projects, or operations and maintenance work that does not involve improving the project lands.
3. The new legislation applies to Alberta municipal, county, and regional district projects.
4. The new legislation applies to all owners, including home builders, architects, and professional engineers registered as professionals who provide consulting services to an improvement, as well as contractors, subcontractors, and suppliers.
5. The new legislation will apply to your contract regardless of the contracting approach or model, or payment method used;
6. The new legislation applies to suppliers outside Alberta as long as their product is used in an Alberta improvement.
7. The new legislative provisions apply to contracts between an owner and a contractor on or after August 29, 2022.
8. The new legislation will apply to subcontracts and supply agreements based on the contract date between the owner and the contractor - NOT the date of the subcontract or supply agreement between the subcontractor and the contractor, or the supplier or the



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contractor. So, you will need to know the date of the prime contract to know if the new legislation applies to your subcontract or supplier agreement.

9. The provisions of the old Builders' Lien Act will continue to apply if the prime contract was signed before August 29, 2022, even if a subcontract or supply agreement is signed after that date; and

10. If the contract between the owner and the contractor lasts more than two years after August 29, 2022, the new legislation will apply to the contract after two years, and the contract terms, including all subcontracts and supply agreements, must be revised to comply with the new legislation.

We hope that this reminder assists you in determining whether the new legislation applies to your contract, subcontractor, or supplier agreement.

We are also hopeful that the new legislation will allow our industry to adapt to a consistent and reliable payment process and avoid unnecessary and costly conflict over payment issues. It will enable the industry to do its best: build for Alberta's future.