



[Contractors in Virginia Need To Be Ready for July 1, 2011](#)



The [Virginia General Assembly](#) has passed a couple of bills, effective July 1, 2011, that will affect contractors' and other construction professionals' rights to payment and where they can and should bring their construction related claims.

The first set of changes is to Virginia's "Little Miller Act" of which I have [spoken on many occasions](#) here at Construction Law Musings.

[HB 1951](#) raised the minimum amount required for bid, performance and payment bonds. The new minimum contract amount increased from \$100,000 to \$500,000 for non-transportation construction projects. If the bond requirement is waived on projects between \$100,000 and \$500,000 the prospective contractors must be prequalified. What this means is that subcontractors and suppliers in particular can no longer assume that the \$250,000.00 project on which they are working is bonded. They should therefore make sure to check on the financial stability and credit of the general contractor for whom they are working just as if they were working on a private construction project.

[SB 1424](#) reduced the time within which lower tier subcontractors and vendors must provide notice to the contractor from 180 days to 90 days. Therefore, any claimant that has a contract relationship with a subcontractor or vendor, *but no contract relationship with the contractor*, may only pursue a payment bond claim if it first gives written notice to the contractor *within 90 days* (as opposed to 180 days) from the day on which the claimant performed the last of the labor or furnished the last of the materials for which it claims payment. On the one hand, the new time limit will track with the Federal Miller Act. On the other, the well known 180 day limit is no longer. Make sure that, as a second tier subcontractor or supplier, that you are aware of this shortened time limit.

A second, and [in my opinion laudable](#), change is the increase in jurisdictional limit for Virginia General District Courts. Effective July 1, 2011, this top limit will increase from \$15,000 to \$25,000. As states in the post linked above, I believe that this will open up more claims to efficient resolution, particularly for subcontractors and suppliers that may have claims in the \$20,000 range for which Circuit Court may not be an efficient option.

These are only a few of the many changes in Virginia law that occurred during the last General Assembly session. Please consult with an [experienced Virginia construction attorney](#) to determine how these (and other) changes may affect your construction business.

Image via [Wikipedia](#)

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