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# Adjudico

• EXPERT SERVICES •

## Alberta Prompt Payment and Construction Lien Act Significant Changes & Economic Benefits

The Builders' Lien (Prompt Payment) Amendment Act came into force on August 29, 2022 with the most significant changes being:

1. A twenty-eight (28) day timeline for project owners to pay invoices to general contractors
2. A seven (7) day timeline for contractors to pay subcontractors after receiving payment
3. Extended timelines for registering liens, as follows:
  - Construction industry: from 45 days to 60 days
  - Concrete industry: from 45 days to 90 days
4. The minimum amount owed that can be subject to a lien has increased from \$300 to \$700
5. The introduction of dispute resolution through adjudication, which is considered to be quicker and not as costly as going to court
6. The introduction of rules allowing holdback money on large, projects spanning multiple years to be released at preestablished times
7. The improvement of access to payment information
8. The legislation's name has been changed from Builders' Lien Act to the Prompt Payment and Construction Lien Act

In February of this year, Nate Glubish, the Minister of Service Alberta, stated that the goal of the Prompt Payment and Construction Lien Act is to:

- Economic Flow: To get people paid and to keep investment moving through the economy
- Cash Distribution: Allow money to flow into the hands of people so can spend this money on goods and services
- Economic Boost: Provide a consistent and ongoing boost to construction and the economy

*Watch this space: Further Adjudication Awareness Bulletins will follow!*

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