

GENERAL ASSEMBLY OF NORTH CAROLINA
1991 SESSION

CHAPTER 620
HOUSE BILL 1027

AN ACT TO PROVIDE THAT PAYMENT OF A CONTRACTOR OR
SUBCONTRACTOR IS NOT A CONDITION PRECEDENT FOR PAYMENT TO
ANY SUBCONTRACTOR.

The General Assembly of North Carolina enacts:

Section 1. G.S. 22C-2 reads as rewritten:

"§ 22C-2. Performance by subcontractor.

Performance by a subcontractor in accordance with the provisions of its contract shall entitle it to payment from the party with whom it contracts. Payment by the owner to a contractor is not a condition precedent for payment to a subcontractor and payment by a contractor to a subcontractor is not a condition precedent for payment to any other subcontractor, and an agreement to the contrary is unenforceable."

Sec. 2. This act is effective upon ratification and applies to those contracts entered into on or after ratification.

In the General Assembly read three times and ratified this the 9th day of July, 1991.

James C. Gardner
President of the Senate

Daniel Blue, Jr.
Speaker of the House of Representatives