



Alberta's Prompt Payment and Construction Lien Act

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▼ Key Changes

- Strict timelines for payment of amounts owing to contractors and subcontractors;
- New adjudication process to resolve construction contract and payment disputes;
- Extended lien deadlines;
- Progressive release of the statutory holdback.



Construction Liens

Construction Liens

- Liens are a powerful tool to secure unpaid work or materials from an owner. You can't waive your right to a lien
- The lien secures payment and effectively prevents further advances being made by a lender or owner. Business considerations arise
- Critical deadlines must be met. Filing is at land titles, so identifying the correct legal title is key

Construction Liens

- The general deadline is now 60 days from when the materials were provided. For the supply of concrete or on oil & gas projects it is now 90 days.
- “with respect to improvements primarily related to the furnishing of concrete as a material or work done in relation to concrete, terminating 90 days from the day that the last of the materials is furnished or the contract to furnish the materials is abandoned.”

Construction Liens

- Supply under older contracts (pre-Aug.'22) is still 45 days, including for concrete.
- Once the lien is filed you then have to sue to enforce and file a CLP on title, all within 180 days.

Construction Liens

- For the lien to arise the materials must be provided to the site or in the vicinity of the site, or incorporated into the project.
- A materials supplier has a special priority over the materials if they are not incorporated into the site (e.g. in an insolvency scenario).

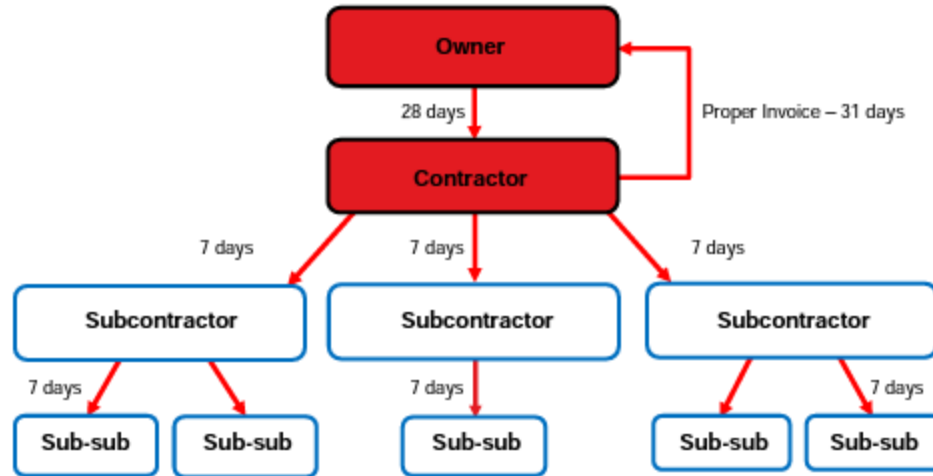


Prompt Payment Regime

▼ Prompt Payment Regime

- Facilitates timely payment down the construction pyramid.
- Applies to owners, contractors, and sub-contractors differently.
- Is initiated by the provision of a “proper invoice”.

▼ Prompt Payment Regime



▼ What is a “Proper Invoice”?

- What does it contain?
- When must it be issued?
- When must it be paid?
- Can it be disputed?
- What about interest?

▼ Adjudication Framework

- What's the process?
- Who are the Adjudicators?
- How do you commence the process?
- How long does it take?
- What about interest?

Disclaimer

The information in this presentation is intended to provide general comments on legal issues. The information in this presentation is not intended to provide legal advice. Participants should seek out legal advice on issues specific to them before acting on any information provided in this presentation. We would be pleased to provide additional information upon request.

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