

**572.30 Action by subcontractor or owner against general contractor or owner-builder.**

Unless otherwise agreed, a general contractor or owner-builder who engages a subcontractor to supply labor or materials or both for improvements, alterations, or repairs to a specific residential construction property shall pay the subcontractor in full for all labor and materials supplied within thirty days after the date the general contractor or owner-builder receives full payment from the owner. If a general contractor or owner-builder fails without due cause to pay a subcontractor as required by [this section](#), the subcontractor, or the owner by subrogation, may commence an action against the general contractor or owner-builder to recover the amount due. Prior to commencing an action to recover the amount due, a subcontractor, or the owner by subrogation, shall give notice of nonpayment of the cost of labor or materials to the general contractor or owner-builder paid for the improvement. Notice of nonpayment must be in writing, delivered in a reasonable manner, and in terms that reasonably identify the real estate improved and the nonpayment complained of. In an action to recover the amount due a subcontractor, or the owner by subrogation, under [this section](#), the court in addition to actual damages, shall award a successful plaintiff exemplary damages against the general contractor or owner-builder in an amount not less than one percent and not exceeding fifteen percent of the amount due the subcontractor, or the owner by subrogation, for the labor and materials supplied, unless the general contractor or owner-builder does one or both of the following, in which case no exemplary damages shall be awarded:

1. Establishes that all proceeds received from the person making the payment have been applied to the cost of labor or material furnished for the improvement.

2. Within fifteen days after receiving notice of nonpayment the general contractor or owner-builder gives a bond, in an amount not less than the amount necessary to satisfy the nonpayment for which notice has been given under [this section](#), and in a form approved by the administrator, to hold harmless the owner or person having the improvement made from any claim for payment of anyone furnishing labor or material for the improvement, other than the general contractor or owner-builder.

[81 Acts, ch 186, §4]

87 Acts, ch 79, §9; 2012 Acts, ch 1105, §20, 27, 28; 2012 Acts, ch 1138, §13; 2013 Acts, ch 99, §14

2012 amendment to section takes effect January 1, 2013; mechanics' liens filed prior to that date shall remain with the clerk of district court of the county in which the building, land, or improvement charged with the lien is situated; 2012 Acts, ch 1105, §27, 28