HOUSE BILL NO. 125

AN ACT TO REQUIRE CONSTRUCTION CONTRACTS ENTERED INTO BY THE BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING AND STATE INSTITUTIONS OF HIGHER LEARNING TO INCLUDE A LIQUIDATED DAMAGES PROVISION FOR UNTIMELY PERFORMANCE AND WARRANTY PROVISIONS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) Each contract entered into by the Board of Trustees of State Institutions of Higher Learning or a state institution of higher learning for a construction, renovation or repair project, regardless of the source of funding used to defray the cost of the project, must include a provision establishing the date by which the project is to be completed and a clause requiring the assessment of liquidated damages for each day that the project is not certified as having been completed, by the party authorized under the contract to make such certification, after the date specified for completion. The terms of the contract must provide that each day that the project is not certified as having been completed is a separate violation of the contract and that liquidated damages shall be assessed for each day's violation. The amount of the liquidated damages shall be established in the contract.

(2) Each contract described under subsection (1) of this section must include a provision guaranteeing the quality of the workmanship of the project and providing detailed warranties for the various, specific components of the project. This provision shall include, at a minimum, the period of duration of each warranty, the remedies available if a warranty is breached and appropriate penalties for a breach of warranty under the contract.
The warranties in the contract must be consistent with or more stringent than the standard warranties used in the particular industry involved.

SECTION 2. This act shall take effect and be in force from and after July 1, 2002.