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July 8, 2025

Governor Gavin Newsom

1021 O Street, Suite 9000

Sacramento, CA 95814

Via email to: leg.unit@gov.ca.gov

**Subject: SB 61 – Private works of improvement: retention payments
Request for Signature**

Dear Governor Newsom:

The Mason Contractors Association of California (MCAC) submits its support and requests your signature on SB 61 (Cortese) to cap retention payment amounts on private construction projects at 5%.

MCAC is a non-profit trade association representing mason contractors and related masonry industry suppliers. Our members are committed to building safe resilient communities and their work is embodied throughout California's infrastructure on projects ranging from the University of Southern California Athletic Center, West Sacramento Fire Station #45, and Tahoe Center for Environmental Sciences to In-N-Out Burger restaurants, Costco stores, Starbucks coffee shops, and multi-family housing developments.

We support this measure as a step towards fairer payment practices across the industry.

Why California needs SB 61:

Currently, retention payments, which are often withheld until completion of a project, can cause unnecessary financial strain on subcontractors, especially smaller and emerging firms.

What the bill does:

SB 61 aligns with policy that has been in place for over a decade in California's public construction sector capping retention payments at 5%. This, in turn, provides capital for business growth and job creation and allows construction employers to meet obligations like payroll, employee benefits, paying material suppliers, and taxes without going into debt with lines of credit to front costs on the value of their completed work.

In sum, SB 61 addresses cash-flow challenges contractors face due to high interest rates, lengthy payment timelines, and reduces the risk of project delays due to financial hardship. For these reasons, we request your signature on SB 61.

Respectfully,

Julie Trost

Executive Director, IOM