

May 22, 2024

The Honourable Niki Sharma
Ministry of Attorney General
Parliament Buildings
Victoria, B.C. V8V 1X4

Re: Prompt Payment Legislation Consultation Process

Dear Attorney General Sharma:

On behalf of the Canadian Home Builders' Association of British Columbia (CHBA BC), I am writing to discuss the ongoing consultations regarding the proposed prompt payment legislation in British Columbia (BC). Although we appreciate your [response](#) to our [previous letter](#), which included assurances that the drafting of the legislation does not guarantee its adoption and implementation, we still have significant concerns about the current consultation process.

As you are already aware from our [previous letter](#), we have concerns about the overall approach of drafting a legislation when consultation on its impacts has not been undertaken. In our view, this constitutes a significant failure to adhere to guidance provided to this body, guidance which specifically directed these consultations to first assess and quantify the potential impacts should prompt payment be legislated in BC.

Further, we have significant concerns about the constitution of the working group, which does not represent the full spectrum of stakeholders that may be affected by any potential prompt payment legislation. It is evident that the disproportionate representation of stakeholders who are in favor of prompt payment is being engaged, especially with the withdrawal of CHBA BC and with the BC Road Builders & Heavy Construction Association considering withdrawing from the working group. Further to this, many stakeholders that prompt payment may affect seem to be absent from the working group including UDI and other key industry organizations.

Considering this disproportionate representation in the working group, we were shocked and deeply troubled that the working group would allow individual stakeholders to draft entire sections of the proposed legislation. This is wholly unacceptable. This practice undermines the consultation process further and leads us to worry about potentially biased recommendations, which may not represent the interests of the broader industry.

This is especially troubling as our members have raised concerns about the potential negative impacts of prompt payment on housing development, which we have been told is a key priority for the Province. Prompt payment adds another layer of regulatory and administrative burden to the development process, especially for small- and medium- sized home builders that do not have the staff capacity to implement it.

Given these concerns, we strongly urge that any movement toward implementing prompt payment legislation in the Province be preceded by a more thorough and inclusive consultation process. It is essential to engage stakeholders at both ends of the spectrum to ensure the consultation process is fair and recommendations are comprehensive, well-rounded, and inclusive of concerns from all impacted parties.

We hope you will take our comments into consideration as you finalize your recommendations report and evaluate prompt payment and whether this 'one size fits all' approach is appropriate for the complex landscape of BC.

Sincerely,



Neil Moody

CEO

CC: The Honourable Ravi Kahlon, Minister of Housing