July 07, 2026

Brittany Schina
Director, Strategic Partnerships
Ministry of Infrastructure
Parliament Buildings
Victoria, BC
V8V 1X4

Submitted via e-mail to: Engage.INF@gov.bc.ca.

Re: CHBA BC Feedback on *Construction Prompt Payment Act* Discussion Paper

Dear Ms. Schina:

On behalf of the Canadian Home Builders' Association of British Columbia (CHBA BC), we would like to thank you for the opportunity to share feedback on the *Construction Prompt Payment Act* Discussion Paper. We would also like to thank you for the opportunity to meet with you and your staff on June 22, 2026, and the ensuing clarity and guidance you were able to share in our continued communications on this topic.

We have reviewed the Discussion Paper and have outlined feedback pertaining to the below listed topics for your consideration:

- Phased Application,
- Early and Advance Notice,
- Calculation of Days,
- Adjudication Authority,
- Methods of Invoice Delivery, *and*
- Readiness and Industry Support.

Phased Application

Thank you for opening the discussion on the application of the *Construction Prompt Payment Act*. While we can understand the government's urgency given the time that has passed since the Act received royal assent, and the delays caused by the re-allocation of this file from the Ministry of the Attorney General to the Ministry of Infrastructure, we are disappointed to see a shift in direction towards single-stage implementation.

Therefore, **as outlined in our previous submissions (on August 19, 2025 and jointly with UDI on July 30, 2025), our recommendation remains that the Province follow a similar multi-year implementation approach as the *Pay Transparency Act* reporting**

requirements, which applied first to the public sector and subsequently over a period of years was rolled out to the private sector based on employer size:

- Year 1: the BC government and BC's six largest Crown corporations (BC Hydro, BC Housing, BC Lottery Corp., BC Transit, ICBC, and WorkSafeBC);
- Year 2: all employers with 1,000 employees in BC or more;
- Year 3: all employers with 300 employees in BC or more;
- Year 4: all employers with 50 employees in BC or more.

In BC, 82% of builders are small businesses with fewer than 10 employees (Statistics Canada, Canadian Business Counts with Employees). For this reason among the others outlined in this letter, and as noted in our previous submissions, a delayed and phased application will be key to supporting homebuilders—the majority of whom are small- and medium-sized businesses—as they implement these significant changes to payment processes over time.

Small- and medium-sized businesses have significantly less administrative capacity to implement changes to comply with new requirements. As you know, these small- and medium-sized businesses are also the most vulnerable to economic downturns and have already been subject to soaring labour and materials costs, unpredictable regulatory changes, and escalating development charges. We have heard from both our developer owner members and contractor members that compliance with prompt payment requirements would take significant changes in accounting processes, hiring of additional staff, and other administrative changes. Adding further burdens in the form of administrative complexity misaligns with the Government's long-standing goal of delivering homes for people across British Columbia.

At the same time and as we have previously shared, we have heard accounts from contractors and subcontractors that the largest payment delays occur most frequently on large public infrastructure projects. A phased approach would therefore address the bulk of the problem and apply first to where it is needed most, while giving the already-challenged segments of the building sector time to prepare for the new requirements.

One notable area in this vein worthy of further Government examination is construction projects relating to custom home builds and renovations. In such cases, prompt payment legislation would apply to regular homeowners who may not know or understand their obligations under prompt payment legislation. They are also the likely recipients of consumer mortgages or other types of construction loans with limited access to upfront cash. In these cases, homeowners are fully at the mercy of bank timelines to fulfill invoices, which we have already raised as the main barrier to achieving a 28-day payment timeline, even for established businesses.

In the face of fragility in the current housing market, renovations have been the alternative path taken by many homeowners. A phased approach which allows this sub-section of the market to be introduced to prompt payment requirements later, again, offers extra time for Government to address remaining snags while granting a temporary but essential reprieve to these homeowners to prepare.

Early and Advance Notice

We also recommend the Province provide early and advance notice (e.g., 18-24 months) to industry before the legislation comes into force to provide greater certainty to builders and developers on when they must implement required operational, contractual, and administrative changes without disrupting ongoing housing projects. This transitional period will be critical, particularly given the economic pressures the residential construction sector is currently facing. Lastly, a delay of 18-24 months together with a phased roll-out as described earlier in this letter would provide Government with adequate opportunity to build awareness of this new legislation in the intervening time.

Calculation of Days

We would like to raise our significant concerns with a 28-day payment period that includes non-business days and holidays. Consultation with our developer owner members indicates that a standard turnaround on invoices is 35+ calendar days (or 25+ days excluding non-business days and holidays) under the best of circumstances (i.e. when invoices are issued and delivered properly, when construction milestones are verifiably and satisfactorily reached, and there are no significant holidays or unexpected administrative or logistical barriers).

For head contractor members and contractor members, the proposal to include non-business days and holidays means they would only have 5 business days to meet prompt payment obligations. This would be a challenge for many contractors as they are generally on-site and often do not have dedicated accounting staff.

The administrative and financial implication of implementing a 28-day (and 7-day) payment timeline that includes holidays and non-business days will be significant for many developers and builders, and a hindrance to the delivery of homes for British Columbians. Therefore, we **recommend the Province implement regulations that exclude holidays and non-business days in the calculation of days to better reflect operational realities** while advancing the goal of timely payments. This would also reduce confusion in calculating payment deadlines that fall on holidays and non-business days, as currently proposed.

Adjudication Authority

We welcome regulations surrounding the cost of adjudication, namely fee caps for lower-value disputes, as well as regulation to ensure that the cost of adjudication is proportional to the amount in dispute rather than the total value of the contract. These measures will help ensure adjudication remains accessible while protecting against frivolous claims that contribute to a backlog.

In establishing qualifying criteria for adjudicators, **we agree with the proposal that the Province follow the approach used in other provinces like Ontario where adjudicators must have at least 10 years' relevant experience in the construction and building industry**. This will ensure that adjudicators have the technical as well as contextual industry knowledge necessary to resolve disputes efficiently and effectively.
We also **agree with the proposal that Government maintain "a roster of adjudicators with appropriate skills and expertise", though we continue to urge Government to ensure adjudication preparedness in advance of the legislation coming into force** in order to prevent backlogs.

Methods of Invoice Delivery

We understand that Section 5 (2) of the Act states that "A proper invoice must be given in the prescribed form and manner, if any" and that Government has no current plans to enforce a specific method of delivery via regulations. While we agree with the overarching approach in this regard, **we recommend a regulatory mechanism which waives the prescribed time limits and/or contracted methods of delivery in the case of large-scale unanticipated barriers such as Canada Post work stoppages.** This will help protect against perceived contract violations resulting from barriers that cannot be reasonably mitigated by neither contractor nor builder/owner.

Readiness and Industry Support

We are pleased to see the government's intention to provide "standardized forms for industry's use", and in particular we support the generation of a required "proper invoice" form. Guides and tools such as these will mitigate the transition period for this new legislation at a time when the building sector is facing numerous barriers to delivering homes for British Columbians.

In this vein **we recommend the Province provide education/training opportunities, such as webinars, and develop guidance materials to support the industry transition in advance of implementation.** These will be key to protecting in-stream projects from undue delays, and supporting small- and medium-sized builders and developers among others, as the industry adjusts to new requirements.

As mentioned earlier in this letter, we have noted a concerning lack of awareness and knowledge about this legislation from the building sector. A delayed and phased roll-out in accord with our recommendations in this letter would grant Government the necessary time and opportunity to build awareness of this new legislation in the intervening time.

CANADIAN HOME BUILDERS' ASSOCIATION BRITISH COLUMBIA

Conclusion

Thank you once again for the opportunity to engage in consultation for the *Construction Prompt Payment Act* Discussion Paper. We hope you will take our comments into consideration as you continue consultation and move forward with drafting the associated suite of policies and regulations. If you have any questions regarding our recommendations, please do not hesitate to reach out to Mahsa Toghrai, Policy and Government Relations Lead, at mahsa@chbabc.org.

Sincerely,

George Greenwood,
CEO