

NEW CA LAW GIVES CONTRACTORS STRONGER PAYMENT RIGHTS — INCLUDING THE ABILITY TO STOP WORK

California contractors will gain significant new payment protections under the Private Works Change Order Fair Payment Act (Civil Code §§ 8850–8851).

GOLD RIVER, CA, UNITED STATES, December 4, 2025 /EINPresswire.com/ -- Beginning January 1, 2026, California contractors will gain significant new payment protections under the Private Works Change Order Fair Payment Act (Civil Code §§ 8850–8851). The law introduces a required claim process, strict timelines for owner response, mandatory mediation, enhanced subcontractor protections, and the right for contractors to suspend performance if owners fail to comply.

“This is a significant expansion of the private works payment protections, particularly as it concerns change order disputes,” said William L. Porter, Esq., principal of [Porter Law Group](#). “But these new rights only work if contractors follow the statute precisely. If they don’t, they risk losing crucial protections.”

Under SB 440, contractors now have:

1. A guaranteed path to advance disputed change order claims
2. Mandatory owner deadlines for review and payment
3. Required meet-and-confer and mediation before litigation
4. 2% monthly interest on both undisputed and later-determined owed amounts
5. The right to stop work legally and without penalty, after following the required two-step notice process



The statute applies broadly to private projects, except for purely residential projects of four stories or less. For a more detailed review, the following link will lead to the full text of the [new law](#). It remains effective until January 1, 2030, unless renewed.

Porter Law Group recommends contractors revise their 2026 contracts now to include a statutory compliance clause, update change order procedures, and implement internal protocols to ensure deadlines are met. Contractors and subcontractors must update contract language to ensure compliance and preserve their rights, as conflicting provisions may be overridden and unenforceable.

Contractors seeking contract review or legal consulting may contact Porter Law Group at (916) 381-7868 or visit www.porterlaw.com for more information.

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