



Ohio Revised Code

Section 153.63 Agreement for escrow account for contractor.

Effective: February 11, 1982

Legislation: House Bill 497 - 114th General Assembly

(A) Any money which is due from the public owner referred to in section 153.12 of the Revised Code under a contract entered into under this chapter or entered into under other applicable sections of the Revised Code for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration of a public improvement shall, on the day it is due, be paid to the contractor or deposited in an escrow account, whichever is applicable, with one or more banks or building and loan associations in the state selected by mutual agreement between the contractor and the public owner. The agreement shall contain the following provisions:

(1) The money shall be deposited in a savings account or the escrow agent shall promptly invest all of the escrowed principal in obligations selected by the escrow agent, as stipulated in the agreement.

(2) The escrow agent shall hold the escrowed principal and income until receipt of notice from the public owner and the contractor, or until receipt of an arbitration order or an order of the court of claims specifying the amount of the escrowed principal to be released and the person to whom it is to be released. Upon receipt of the notice or order, the agent shall promptly pay such amount of principal and a proportionate amount of the escrowed income to the person indicated.

(3) The escrow agent shall be compensated for its services as agreed to by the public owner and the contractor from the income from the escrow account.

The agreement may include other provisions not inconsistent with this section, including, but not limited to granting authority for the escrow agent to commingle the escrowed funds with funds held pursuant to other escrow agreements and limiting the liability of the escrow agent.

(B) When the public owner, as defined in division (B) of section 2743.01 of the Revised Code, and the contractor disagree as to the conditions under which money is to be paid under this section, the parties shall apply for a decision by arbitration under the procedures of Chapter 2711. of the Revised Code. When an application is made, neither party shall initiate, and no court shall permit the



maintenance of, an action in court for decision of the same issues sought to be determined in the arbitration application. The award made by the arbitrator may include the costs of arbitration. The arbitration shall be binding on all parties.

(C) When the public owner, as defined in division (A) of section 2743.01 of the Revised Code, and the contractor disagree as to the conditions under which money is to be paid under this section the contractor shall file an action in the court of claims.

(D) If the money required to be paid or deposited under division (A) of this section is not paid or deposited, the governmental entity shall pay to the contractor an amount equal to eight per cent annual interest compounded daily.