

NEW YORK COURT OF APPEALS

C.S.A. Contracting Corp. v. New York City School Construction Authority

5 N.Y.3d 189 (N.Y. 2005) · Decided July 6, 2005

SUMMARY

The New York Court of Appeals held that a contractor’s claims against the New York City School Construction Authority accrued when its damages became ascertainable, rather than when payment was later denied. Because the contractor did not serve a notice of claim within three months of accrual as required by Public Authorities Law § 1744 (2), dismissal of the breach of contract action was affirmed.

CASE DETAILS

COURT	New York Court of Appeals
WRITING FOR THE COURT	Graffeo, J.; Smith, J.
JURISDICTION	New York
DECIDED	July 6, 2005
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from an order affirming dismissal of its breach-of-contract action for failure to timely serve a notice of claim under Public Authorities Law § 1744 (2).
STANDARD OF REVIEW	The Court reviewed the legal determination that the statutory notice-of-claim condition precedent was not satisfied and whether dismissal was proper based on the evidence presented at trial.
PRECEDENTIAL VALUE	Published precedential opinion of the New York Court of Appeals
PARTIES	C.S.A. Contracting Corp. v. New York City School Construction Authority

TOPICS

- government contracts
- construction law
- statutory interpretation
- civil procedure
- breach of contract

PRACTICE AREAS

- government contracts
- construction law
- municipal law
- civil procedure
- statutory interpretation

QUESTIONS PRESENTED

1. When did C.S.A. Contracting's contract claims accrue for purposes of the three-month notice-of-claim requirement in Public Authorities Law § 1744 (2)?
2. Whether the accrual rule in Education Law § 3813 (1), under which a contract claim accrues when payment is denied, should be applied to claims against the School Construction Authority despite the absence of a similar amendment to Public Authorities Law § 1744 (2).
3. Whether the complaint was properly dismissed because C.S.A. failed to plead and prove that a proper notice of claim was served within three months after accrual.

HOLDINGS

1. A contractor's claim against the School Construction Authority accrues when its damages are ascertainable, generally when the work is substantially completed or a detailed invoice is submitted.
2. The payment-denial accrual rule enacted for claims against school districts under Education Law § 3813 (1) may not be engrafted onto Public Authorities Law § 1744 (2), which was not similarly amended.
3. The complaint was properly dismissed because C.S.A. failed to plead and prove service of a statutorily compliant notice of claim within three months after its claims accrued.

KEY QUOTATIONS

“A timely notice of claim is a condition precedent to maintaining an action against SCA, and the plaintiff has the obligation to plead and prove that its notice of claim was served within three months after the accrual of its claim” (at 192)

“it generally has been recognized that damages are ascertainable once the work is substantially completed or a detailed invoice of the work performed is submitted” (at 192)

“Any such change should come from the Legislature.” (at 193)

FACTUAL BACKGROUND

C.S.A. Contracting performed asbestos-abatement work for the New York City School Construction Authority under a 1993 contract. It completed the PS 29 work before December 1993 and submitted a detailed invoice for extra work on December 3, 1993. After the Authority later declined to pay, C.S.A. served or purported to serve notices in May, June, and September 1994, and commenced suit in April 1995.

PROCEDURAL HISTORY

C.S.A. Contracting sued the New York City School Construction Authority for payment for asbestos-abatement work. Supreme Court granted the Authority's motion to dismiss at the close of plaintiff's case, finding that the notice of claim was untimely, and severed the Authority's counterclaim. The Appellate Division affirmed, and the New York Court of Appeals granted leave to appeal and affirmed.

DISPOSITION

affirmed

CASES CITED

- Parochial Bus Sys. v. Board of Educ. of City of N.Y., 60 N.Y.2d 539, 547 (1983)
- Rogers v. Village of Port Chester, 234 N.Y. 182, 185 (1922)
- Matter of Board of Educ. of Enlarged Ogdensburg City School Dist. [Wager Constr. Corp.], 37 N.Y.2d 283, 290 (1975)
- New York City School Constr. Auth. v. Kallen & Lemelson, 290 A.D.2d 497 (2d Dep't 2002)

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