

1 AMENDMENT TO SENATE BILL 155

2 AMENDMENT NO. _____. Amend Senate Bill 155, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The State Prompt Payment Act is amended by
6 changing Section 7 as follows:

7 (30 ILCS 540/7) (from Ch. 127, par. 132.407)

8 Sec. 7. Payments to subcontractors and material
9 suppliers.

10 (a) When a State official or agency responsible for
11 administering a contract submits a voucher to the Comptroller
12 for payment to a contractor, that State official or agency
13 shall promptly notify by mail or e-mail each subcontractor
14 and material supplier, who is known to the State official or
15 agency, of the date and amount of the voucher. When a
16 contractor receives any payment, the contractor shall pay
17 each subcontractor and material supplier in proportion to the
18 work completed by each subcontractor and material supplier
19 their application less any retention. If the contractor
20 receives less than the full payment due under the public
21 construction contract, the contractor shall be obligated to
22 disburse on a pro rata basis those funds received, with the

1 contractor, subcontractors and material suppliers each
2 receiving a prorated portion based on the amount of payment.
3 When, however, the public owner does not release the full
4 payment due under the contract because there are specific
5 areas of work or materials the contractor is rejecting or
6 because the contractor has otherwise determined such areas
7 are not suitable for payment, then those specific
8 subcontractors or suppliers involved shall not be paid for
9 that portion of work rejected or deemed not suitable for
10 payment and all other subcontractors and suppliers shall be
11 paid in full.

12 (b) If the contractor, without reasonable cause, fails
13 to make full any payment of amounts due under subsection (a)
14 to his subcontractors and material suppliers within 15 days
15 after receipt of payment under the public construction
16 contract, the contractor shall pay to his subcontractors and
17 material suppliers, in addition to the payment due them,
18 interest in the amount of 4% 2% per month, calculated from
19 the expiration of the 15-day period until fully paid. This
20 subsection shall also apply to any payments made by
21 subcontractors and material suppliers to their subcontractors
22 and material suppliers and to all payments made to lower tier
23 subcontractors and material suppliers throughout the
24 contracting chain. A contractor who fails to make payment in
25 full as provided in this subsection within 45 days after
26 receipt of payment under the public construction contract is
27 barred from entering into a State public construction
28 contract for a period of one year beginning on that 45th day.
29 (Source: P.A. 87-773.)".