



Rep. Jawaharial Williams

Filed: 4/15/2026

10400HB0879ham001

LRB104 04777 HLH 36879 a

1 AMENDMENT TO HOUSE BILL 879

2 AMENDMENT NO. _____. Amend House Bill 879 by replacing
3 everything after the enacting clause with the following:

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

6 (30 ILCS 540/7) (from Ch. 127, par. 132.407)

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

8 (a) When a State official or agency responsible for
9 administering a contract submits a voucher to the Comptroller
10 for payment to a contractor, that State official or agency
11 shall promptly make available electronically the voucher
12 number, the date of the voucher, and the amount of the voucher.
13 The State official or agency responsible for administering the
14 contract shall provide subcontractors and material suppliers,
15 known to the State official or agency, with instructions on
16 how to access the electronic information.

1 (a-5) When a contractor receives any payment, the
2 contractor shall pay each subcontractor and material supplier
3 electronically within 10 business days or 15 calendar days,
4 whichever occurs earlier, or, if paid by a printed check, the
5 printed check must be postmarked within 10 business days or 15
6 calendar days, whichever occurs earlier, after receiving
7 payment in proportion to the work completed by each
8 subcontractor and material supplier its application or pay
9 estimate, plus interest received under this Act. When a
10 contractor receives any payment, the contractor shall pay each
11 lower-tiered subcontractor and material supplier and each
12 subcontractor and material supplier shall make payment to its
13 own respective subcontractors and material suppliers. If the
14 contractor receives less than the full payment due under the
15 public construction contract, the contractor shall be
16 obligated to disburse on a pro rata basis those funds
17 received, plus interest received under this Act, with the
18 contractor, subcontractors and material suppliers each
19 receiving a prorated portion based on the amount of payment
20 each has earned. When, however, the State official or agency
21 does not release the full payment due under the contract
22 because there are specific areas of work or materials the
23 State agency or official has determined are not suitable for
24 payment, then those specific subcontractors or material
25 suppliers involved shall not be paid for that portion of work
26 rejected or deemed not suitable for payment and all other

1 subcontractors and suppliers shall be paid based upon the
2 amount of payment each has earned, plus interest received
3 under this Act.

4 (a-10) For construction contracts with the Department of
5 Transportation or the Capital Development Board, the
6 contractor, subcontractor, or material supplier, regardless of
7 tier, shall not offset, decrease, or diminish payment or
8 payments that are due to its subcontractors or material
9 suppliers without reasonable cause.

10 A contractor, who refuses to make prompt payment within 10
11 business days or 15 calendar days, whichever occurs earlier,
12 after receiving payment, in whole or in part, shall provide to
13 the subcontractor or material supplier and the public owner or
14 its agent, a written notice of that refusal. The written
15 notice shall be made by a contractor no later than 5 calendar
16 days after payment is received by the contractor. The written
17 notice shall identify the Department of Transportation's or
18 the Capital Development Board's contract, any subcontract or
19 material purchase agreement, a detailed reason for refusal,
20 the value of the payment to be withheld, and the specific
21 remedial actions required of the subcontractor or material
22 supplier so that payment may be made. Written notice of
23 refusal may be given in a form and method which is acceptable
24 to the parties and public owner.

25 (b) If the contractor, without reasonable cause, fails to
26 make full payment of amounts due under subsection (a) to its

1 subcontractors and material suppliers within 10 business days
2 or 15 calendar days, whichever occurs earlier, after receipt
3 of payment from the State official or agency, the contractor
4 shall pay to its subcontractors and material suppliers, in
5 addition to the payment due them, interest in the amount of 2%
6 per month, calculated from the expiration of the
7 10-business-day period or the 15-calendar-day period until
8 fully paid. This subsection shall further apply to any
9 payments made by subcontractors and material suppliers to
10 their subcontractors and material suppliers and to all
11 payments made to lower tier subcontractors and material
12 suppliers throughout the contracting chain.

13 (1) If a contractor, without reasonable cause, fails
14 to make payment in full as provided in subsection (a-5)
15 within 10 business days or 15 calendar days, whichever
16 occurs earlier, after receipt of payment under the public
17 construction contract, any subcontractor or material
18 supplier to whom payments are owed may file a written
19 notice and request for administrative hearing with the
20 State official or agency setting forth the amount owed by
21 the contractor and the contractor's failure to timely pay
22 the amount owed. The written notice and request for
23 administrative hearing shall identify the public
24 construction contract, the contractor, and the amount
25 owed, and shall contain a sworn statement or attestation
26 to verify the accuracy of the notice. The notice and

1 request for administrative hearing shall be filed with the
2 State official for the public construction contract, with
3 a copy of the notice concurrently provided to the
4 contractor. Notice to the State official may be made by
5 certified or registered mail, messenger service, or
6 personal service, and must include proof of delivery to
7 the State official.

8 (2) The State official or agency, within 15 calendar
9 days after receipt of a subcontractor's or material
10 supplier's written notice and request for administrative
11 hearing, shall hold a hearing convened by an
12 administrative law judge to determine whether the
13 contractor withheld payment, without reasonable cause,
14 from the subcontractors or material suppliers and what
15 amount, if any, is due to the subcontractors or material
16 suppliers, and the reasonable cause or causes asserted by
17 the contractor. The State official or agency shall provide
18 appropriate notice to the parties of the date, time, and
19 location of the hearing. Each contractor, subcontractor,
20 or material supplier has the right to be represented by
21 counsel at a hearing and to cross-examine witnesses and
22 challenge documents. Upon the request of the subcontractor
23 or material supplier and a showing of good cause,
24 reasonable continuances may be granted by the
25 administrative law judge.

26 (3) Upon a finding by the administrative law judge

1 that the contractor failed to make payment in full,
2 without reasonable cause, as provided in subsection
3 (a-10), then the administrative law judge shall, in
4 writing, order the contractor to pay the amount owed to
5 the subcontractors or material suppliers plus interest
6 within 15 calendar days after the order.

7 (4) If a contractor fails to make full payment as
8 ordered under paragraph (3) of this subsection (b) within
9 15 days after the administrative law judge's order, then
10 the contractor shall be barred from entering into a State
11 public construction contract for a period of one year
12 beginning on the date of the administrative law judge's
13 order.

14 (5) If, on 2 or more occasions within a
15 3-calendar-year period, there is a finding by an
16 administrative law judge that the contractor failed to
17 make payment in full, without reasonable cause, and a
18 written order was issued to a contractor under paragraph
19 (3) of this subsection (b), then the contractor shall be
20 barred from entering into a State public construction
21 contract for a period of 6 months beginning on the date of
22 the administrative law judge's second written order, even
23 if the payments required under the orders were made in
24 full.

25 (6) If a contractor fails to make full payment as
26 ordered under paragraph (4) of this subsection (b), the

1 subcontractor or material supplier may, within 30 days of
2 the date of that order, petition the State agency for an
3 order for reasonable attorney's fees and costs incurred in
4 the prosecution of the action under this subsection (b).
5 Upon that petition and taking of additional evidence, as
6 may be required, the administrative law judge may issue a
7 supplemental order directing the contractor to pay those
8 reasonable attorney's fees and costs.

9 (7) The written order of the administrative law judge
10 shall be final and appealable under the Administrative
11 Review Law.

12 (b-5) On or before July 2021, the Department of
13 Transportation shall publish on its website a searchable
14 database that allows for queries for each active construction
15 contract by the name of a subcontractor or the pay item such
16 that each pay item is associated with either the prime
17 contractor or a subcontractor.

18 (c) This Section shall not be construed to in any manner
19 diminish, negate, or interfere with the
20 contractor-subcontractor or contractor-material supplier
21 relationship or commercially useful function.

22 (d) This Section shall not preclude, bar, or stay the
23 rights, remedies, and defenses available to the parties by way
24 of the operation of their contract, purchase agreement, the
25 Mechanics Lien Act, or the Public Construction Bond Act.

26 (e) State officials and agencies may adopt rules as may be

1 deemed necessary in order to establish the formal procedures
2 required under this Section.

3 (f) As used in this Section:

4 "Payment" means the discharge of an obligation in money or
5 other valuable consideration or thing delivered in full or
6 partial satisfaction of an obligation to pay. "Payment" shall
7 include interest paid pursuant to this Act.

8 "Reasonable cause" may include, but is not limited to,
9 unsatisfactory workmanship or materials; failure to provide
10 documentation required by the contract, subcontract, or
11 material purchase agreement; claims made against the
12 Department of Transportation, the Capital Development Board,
13 or the subcontractor pursuant to subsection (c) of Section 23
14 of the Mechanics Lien Act or the Public Construction Bond Act;
15 judgments, levies, garnishments, or other court-ordered
16 assessments or offsets in favor of the Department of
17 Transportation, the Capital Development Board, or other State
18 agency entered against a subcontractor or material supplier.

19 "Reasonable cause" does not include payments issued to the
20 contractor that create a negative or reduced valuation pay
21 application or pay estimate due to a reduction of contract
22 quantities or work not performed or provided by the
23 subcontractor or material supplier; the interception or
24 withholding of funds for reasons not related to the
25 subcontractor's or material supplier's work on the contract;
26 anticipated claims or assessments of third parties not a party

1 related to the contract or subcontract; asserted claims or
2 assessments of third parties that are not authorized by court
3 order, administrative tribunal, or statute. "Reasonable cause"
4 further does not include the withholding, offset, or reduction
5 of payment, in whole or in part, due to the assessment of
6 liquidated damages or penalties assessed by the Department of
7 Transportation or the Capital Development Board against the
8 contractor, unless the subcontractor's performance or supplied
9 materials were the sole and proximate cause of the liquidated
10 damage or penalty.

11 (Source: P.A. 100-43, eff. 8-9-17; 100-376, eff. 1-1-18;
12 100-863, eff. 8-14-18; 101-524, eff. 1-1-20.)".