



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB3631

Introduced 2/18/2025, by Rep. Kam Buckner

SYNOPSIS AS INTRODUCED:

20 ILCS 3105/21 new
30 ILCS 540/12 new

Amends the Capital Development Board Act and the State Prompt Payment Act. Provides that the Capital Development Board may issue direct payment to subcontractors for work performed on State-funded projects if: (1) the subcontractor has submitted an affidavit and supporting documentation verifying the amount due for work performed, including a copy of the subcontract agreement and evidence of work completion; (2) the prime contractor has failed to pay the subcontractor within 30 days after the prime contractor receives payment from the Board; and (3) the subcontractor has provided written notice of non-payment to the Capital Development Board and the prime contractor and has allowed the prime contractor a 10-day response period.

LRB104 11420 HLH 21508 b

1 AN ACT concerning State government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Capital Development Board Act is amended by
5 adding Section 21 as follows:

6 (20 ILCS 3105/21 new)

7 Sec. 21. Payment to subcontractors.

8 (a) The General Assembly finds and declares that:

9 (1) Subcontractors performing work on State-funded
10 projects are essential to the completion of public
11 construction.

12 (2) Delays in payments from prime contractors to
13 subcontractors adversely affect the financial stability of
14 subcontractors and disrupt project timelines.

15 (3) Allowing the Capital Development Board to pay
16 subcontractors directly under specific circumstances
17 promotes fair payment practices and ensures the timely
18 completion of public projects.

19 (b) Notwithstanding any other provision of law, the
20 Capital Development Board may issue direct payment to
21 subcontractors for work performed on State-funded projects
22 under the following conditions:

23 (1) the subcontractor has submitted an affidavit and

1 supporting documentation verifying the amount due for work
2 performed, including a copy of the subcontract agreement
3 and evidence of work completion (e.g., invoices, progress
4 reports, or certifications of completed work);

5 (2) the prime contractor has failed to pay the
6 subcontractor within 30 days after the prime contractor
7 receives payment from the Board; and

8 (3) the subcontractor has provided written notice of
9 non-payment to the Capital Development Board and the prime
10 contractor, allowing the prime contractor a 10-day
11 response period.

12 (c) Upon receiving a valid claim from a subcontractor, the
13 Capital Development Board shall notify the prime contractor
14 and allow the prime contractor to dispute the claim within 10
15 business days. If no dispute or justification is provided by
16 the prime contractor, or if the justification is deemed
17 invalid by the Board, the Board shall remit payment directly
18 to the subcontractor for the amount verified as due.

19 (d) Any payment made by the Capital Development Board to a
20 subcontractor under this Section shall be deducted from future
21 payments owed to the prime contractor.

22 (e) A prime contractor who fails to pay subcontractors in
23 compliance with this Act shall be subject to penalties,
24 including but not limited to, a 10% withholding on future
25 payments and suspension or disqualification from bidding on
26 future State contracts for up to 3 years.

1 (f) The Board shall adopt rules for implementing this
2 Section, including procedures for submitting claims, verifying
3 documentation, and resolving disputes.

4 Section 10. The State Prompt Payment Act is amended by
5 adding Section 12 as follows:

6 (30 ILCS 540/12 new)

7 Sec. 12. Payment rights of subcontractors.

8 (a) Subcontractors working on State-funded projects
9 managed by the Capital Development Board may submit claims for
10 direct payment under the conditions outlined in Section 21 of
11 the Capital Development Board Act.

12 (b) Any interest penalties due for late payments under
13 this Act shall apply to payments owed to subcontractors.