

HB2916



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2916

by Rep. Luis Arroyo

SYNOPSIS AS INTRODUCED:

815 ILCS 603/20 new

Amends the Contractor Prompt Payment Act. Provides that a retainage of 10% of the payment may be withheld from a payment under a construction contract prior to the completion of 50% of the contract. Provides that after 50% of the contract is completed, the amount of retainage for any subsequent payment may not exceed 5%. Effective immediately.

LRB101 06245 TAE 51271 b

A BILL FOR

1 AN ACT concerning business.

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

4 Section 5. The Contractor Prompt Payment Act is amended by
5 adding Section 20 as follows:

6 (815 ILCS 603/20 new)

7 Sec. 20. Retainage. No construction contract may permit
8 the withholding of retainage from any payment in excess of the
9 amounts permitted in this Section. A construction contract may
10 provide for the withholding of retainage of up to 10% of any
11 payment made prior to the completion of 50% of the contract.
12 When a contract is 50% complete, retainage withheld shall be
13 reduced so that no more than 5% is held. After the contract is
14 50% complete, no more than 5% of the amount of any subsequent
15 payments made under the contract may be held as retainage.

16 Section 99. Effective date. This Act takes effect upon
17 becoming law.