



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

HB5790

Introduced 11/16/2022, by Rep. Eva-Dina Delgado and Barbara Hernandez

SYNOPSIS AS INTRODUCED:

815 ILCS 603/20

Amends the Contractor Prompt Payment Act. Provides that a public construction contract may provide for the withholding of retainage of up to 5% (rather than 10%) of any payment made prior to the completion of 50% of the contract. Provides that when a contract is 50% complete, retainage withheld shall be reduced so that no more than 1% (rather than 5%) is held. Provides that after the contract is 50% complete, no more than 1% (rather than 5%) of the amount of any subsequent payments made under the contract may be held as retainage.

LRB102 28085 SPS 39888 b

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 changing Section 20 as follows:

6 (815 ILCS 603/20)

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 5% ~~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 1% ~~5%~~ is held. After the contract
14 is 50% complete, no more than 1% ~~5%~~ of the amount of any
15 subsequent payments made under the contract may be held as
16 retainage.

17 (Source: P.A. 101-432, eff. 8-20-19.)