LRB093 06706 MKM 14508 a

- AMENDMENT TO SENATE BILL 155 1
- 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
- changing Section 7 as follows: 6
- (30 ILCS 540/7) (from Ch. 127, par. 132.407) 7
- Sec. 7. Payments to subcontractors and material 8
- 9 suppliers.

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- 10 (a) When a State official or agency responsible for
- administering a contract submits a voucher to the Comptroller 11
- for payment to a contractor, that State official or agency 12
- shall promptly make available electronically the voucher 13
- 14 number, the date of the voucher, and the amount of the
- voucher. The State official or agency responsible for 15
- administering the contract shall provide subcontractors and 16
- 17 material suppliers, known to the State official or agency,
- with instructions on how to access the electronic 18
- information. When a contractor receives any payment, the 19
- in proportion to the work completed by each subcontractor and

contractor shall pay each subcontractor and material supplier

22 material supplier their application less any retention. If -2.-

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the contractor receives less than the full payment due under the public construction contract, the contractor shall be obligated to disburse on a pro rata basis those funds received, with the contractor, subcontractors and material suppliers each receiving a prorated portion based on the amount of payment. When, however, the public owner does not release the full payment due under the contract because there are specific areas of work or materials the contractor is rejecting or because the contractor has otherwise determined such areas are not suitable for payment, then those specific subcontractors or suppliers involved shall not be paid for that portion of work rejected or deemed not suitable for payment and all other subcontractors and suppliers shall be paid in full.

If the contractor, without reasonable cause, fails to make <u>full</u> any payment <u>of amounts due under subsection (a)</u> to his subcontractors and material suppliers within 15 days after receipt of payment under the public construction contract, the contractor shall pay to his subcontractors and material suppliers, in addition to the payment due them, interest in the amount of 4% 2% per month, calculated from the expiration of the 15-day period until fully paid. shall also apply to any payments made by subcontractors and material suppliers to their subcontractors and material suppliers and to all payments made to lower tier subcontractors and material suppliers throughout contracting chain. If a State official or agency responsible for administering a contract determines, after notice to appropriate parties and a hearing, that a contractor has failed to make payment in full as provided in this subsection within 45 days after receipt of payment under the public construction contract, then that contractor is barred from entering into a State public construction contract for a period of one year beginning on that 45th day. The hearing

- 1 <u>must be held within 30 days after the official or agency is</u>
- 2 <u>notified that there is reason to believe a violation has</u>
- 3 <u>occurred</u>.
- 4 (Source: P.A. 87-773.)".