

1 AN ACT in relation to contracts.

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

4 Section 1. Short title. This Act may be cited as the  
5 Building and Construction Contract Act.

6 Section 5. Definitions. In this Act:

7 "Building and construction contract" means a contract for  
8 the design, construction, alteration, improvement, repair, or  
9 maintenance of real property, highways, roads, or bridges.

10 Section 10. Progress payments and retainages.

11 (a) Unless a building and construction contract requires  
12 otherwise, the owner or other person making payments under  
13 the contract must make monthly progress payments. Payments  
14 must be based on reasonable estimates of work completed as  
15 approved by the owner or the owner's agent. A progress  
16 payment is not acceptance of or approval of any work or a  
17 waiver of any defects in the work.

18 (b) An owner or an owner's agent may reserve a retainage  
19 from any progress payment of an amount not to exceed 5% of  
20 the progress payment. An owner or owner's agent may reduce  
21 the amount of the retainage and may eliminate the retainage  
22 on any monthly payment if, in the owner's opinion, the work  
23 is progressing satisfactorily.

24 Section 99. Effective date. This Act takes effect upon  
25 becoming law.