

1 AMENDMENT TO HOUSE BILL 1904

2 AMENDMENT NO. _____. Amend House Bill 1904 as follows:

3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Illinois Highway Code is amended by
6 adding Section 4-104 as follows:

7 (605 ILCS 5/4-104 new)

8 Sec. 4-104. Subcontractors' trust agreements. This
9 Section applies to subcontractors' retainage amounts equal to
10 or greater than \$2,000. Upon the contractor's receipt of the
11 first partial or progress payment from the Department, at the
12 request of the subcontractor and with the approval of the
13 contractor, the retainage of the subcontract shall be
14 deposited under a trust agreement with an Illinois financial
15 institution, whose deposits are insured by an agency or
16 instrumentality of the federal government, of the
17 subcontractor's choice and subject to the approval of the
18 contractor. The subcontractor shall receive any interest on
19 the amount deposited.

20 Upon application by the subcontractor, a trust agreement
21 by the financial institution and the contractor must contain,

1 at a minimum, the following provisions:

2 (1) The amount to be deposited subject to the trust.

3 (2) The terms and conditions of payment in case of
4 default of the subcontractor.

5 (3) The termination of the trust agreement upon
6 completion of the subcontract.

7 The subcontractor is responsible for obtaining the
8 written consent of the financial institution trustee. Any
9 costs or service fees must be borne by the subcontractor. The
10 trust agreement may, at the discretion of the contractor and
11 upon request of the subcontractor, become operative at the
12 time of the first partial payment in accordance with existing
13 statutes and Department procedures.

14 This Section applies to all subcontracts in effect on and
15 after the effective date of this amendatory Act of the 92nd
16 General Assembly.

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