



**Majority Whip Nick Santucci**  
*House Small Business Committee*  
*Sponsor Testimony for House Bill 568*  
*November 12, 2025*

Chair Ghanbari, Vice Chair Dean, Ranking Member Upchurch, and members of the House Small Business Committee, thank you for allowing me to testify today on House Bill 568.

This legislation represents a straightforward yet meaningful update to Ohio’s construction payment laws. By establishing the five-percent limit on retainage for private construction projects, House Bill 568 brings greater consistency, fairness, and economic efficiency to a process that has long needed modernization.

Construction contributed \$38 billion, which is just over 4% of the state’s GDP. Construction employment in Ohio in June 2025 totaled 265,100 an increase of 7% from June 2024<sup>1</sup>, indicating the growth and importance of the sector to Ohio. Across the State, construction firms of all sizes play a crucial role in driving local development and sustaining good-paying jobs. Yet without a reasonable limit on retainage, many contractors and suppliers face delayed payments for work already completed. This not only restricts the flow of capital and slows investment for local firms, but it also places an unnecessary burden on businesses that are critical to our state’s growth.

Moreover, Ohio’s construction sector is operating in a tight labor market: 85% of firms say they have unmet employment needs, and 94% of those say they’re struggling to fill positions<sup>2</sup>. By improving cash-flow predictability through a 5-percent retainage cap, House Bill 568 helps firms stay better capitalized to invest in workforce training and compete for the skilled workers our region needs.

House Bill 568 creates a uniform and balanced standard, and as a result, improves cash flow within local economies and the construction industry, while still preserving an owner’s right to ensure quality and completion of a project. It also aligns Ohio with a growing number of states that have recognized the economic value of updating their retainage laws to reflect current industry practices.

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<sup>1</sup> [https://www.agcohoio.org/uploads/1/5/1/6/151661590/oh-us\\_construction\\_fact\\_sheet\\_2025.pdf](https://www.agcohoio.org/uploads/1/5/1/6/151661590/oh-us_construction_fact_sheet_2025.pdf)

<sup>2</sup> <https://ohiocontractors.build/workforce-survey-simply-not-enough-workers-to-keep-up-with-the-growing-demand/>

House Bill 568 is about promoting predictability, fairness, and confidence in Ohio's business climate. It supports the private sector's ability to reinvest in equipment, workforce training, and future projects, helping our economy remain competitive and forward-looking. This legislation is another step in this committee's effort for economic and regulatory modernization.

Chair Ghanbari, Vice Chair Dean, Ranking Member Upchurch, and members of the House Small Business Committee, thank you again for giving me the opportunity to provide sponsor testimony on House Bill 568. I would be happy to answer any questions you may have at this time.