As Introduced

136th General Assembly

Regular Session

H. B. No. 568

2025-2026

Representatives Mathews, T., Santucci Cosponsors: Representatives Johnson, Fischer, Miller, K., Hall, T.

To enact section 4113.63 of the Revised Code to 1 limit retainage in certain private construction 3 projects.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 4113.63 of the Revised Code be	4
enacted to read as follows:	5
Sec. 4113.63. (A) As used in this section:	6
(1) "Contractor," "lower tier material supplier," and	7
"lower tier subcontractor" have the same meanings as in section	8
4113.61 of the Revised Code.	9
(2) "Material supplier" and "subcontractor" have the same	10
meanings as in section 1311.01 of the Revised Code.	11
(3) "Owner" means a person who is not a public authority	12
and relates to all the interests either legal or equitable that	13
the person may have in the real estate upon which improvements	14
are made, including interests held by any person under contracts	15
of purchase, whether in writing or otherwise.	16
(4) "Private project" means construction, alteration,	17
erection, improvement, demolition, removal, digging, or drilling	18

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any part of a structure or improvement, directly or indirectly,	19
under a contract with an owner. "Private project" includes work	20
or labor performed, or materials furnished, under a contract	21
with an owner, contractor, subcontractor, material supplier,	22
lower tier subcontractor, or lower tier material supplier, so	23
long as the owner of the structure or improvement on which the	24
work or labor is performed, or the materials are used, is not a	25
<pre>public authority.</pre>	26
(5) "Public authority" has the same meaning as in section	27
1311.25 of the Revised Code.	28
(B) Notwithstanding any provision of section 4113.61 of	29
the Revised Code to the contrary, no construction contract or	30
subcontract for a private project with an expected value of	31
greater than one million dollars that is entered into on or	32
after the effective date of this section shall include any	33
provision that requires or permits the withholding of retainage	34
in an amount greater than five per cent of the expected value of	35
the contract or subcontract.	36
(C) Nothing in this section shall be construed to require	37
payment of a retainage where there is a good faith claim	38
directly related to the work or labor performed, or the	39
materials furnished, by the contractor, subcontractor, material	40
supplier, lower tier subcontractor, or lower tier material	41
supplier.	42