

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 568

Representatives Mathews, T., Santucci

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

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

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

Section 1. That section 4113.63 of the Revised Code be
enacted to read as follows:

Sec. 4113.63. (A) As used in this section:

(1) "Contractor," "lower tier material supplier," and
"lower tier subcontractor" have the same meanings as in section
4113.61 of the Revised Code.

(2) "Material supplier" and "subcontractor" have the same
meanings as in section 1311.01 of the Revised Code.

(3) "Owner" means a person who is not a public authority
and relates to all the interests either legal or equitable that
the person may have in the real estate upon which improvements
are made, including interests held by any person under contracts
of purchase, whether in writing or otherwise.

(4) "Private project" means construction, alteration,
erection, improvement, demolition, removal, digging, or drilling

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
public authority. 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