

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 1221

H.P. 912

House of Representatives, March 22, 2011

An Act To Encourage Prompt Payments by the State When It Contracts with Outside Agencies

Reference to the Committee on State and Local Government suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative MOULTON of York.
Cosponsored by Senator SULLIVAN of York and
Representatives: CROCKETT of Bethel, EVES of North Berwick, GILLWAY of Searsport,
HARVELL of Farmington, PILON of Saco, WINSOR of Norway, Senator: COLLINS of
York.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §1554**, as enacted by PL 1983, c. 655, is amended to read:

3 **§1554. Payment of late fees**

4 In the event that a proper invoice is not paid within 25 working days after receipt of
5 the invoice, or within 15 days following another date agreed to by the state agency and
6 the business concern, the agency ~~shall be~~ is liable to pay a ~~reasonable~~ late fee ~~that shall~~
7 ~~not exceed the normal late charge that the business concern levies on the amount due on~~
8 ~~the invoice of 1 1/2% of the amount owed on the invoice per month except when the~~
9 contract includes a specific late fee of a different amount to be levied.

10 In the event that federal ~~moneys are~~ money is the budgeted source of funds for
11 payment to business concerns for state agency purchases of goods, property or services,
12 and ~~these moneys are~~ this money is unexpectedly withheld and delayed from reaching the
13 State in time to pay proper invoices without incurring a late fee, the state agency ~~which~~
14 that made the purchases and the State of Maine ~~shall~~ are not be liable for any late fees on
15 overdue payments.

16 **SUMMARY**

17 Current law allows a vendor to charge a reasonable late fee if a state agency does not
18 make the required payment for an invoice on time. This bill requires a state agency that
19 does not make the required payment on time to pay a late fee of 1 1/2% per month unless
20 the contract includes a different amount to be levied if payment is late.