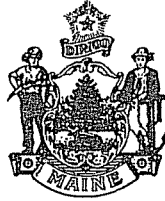


MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

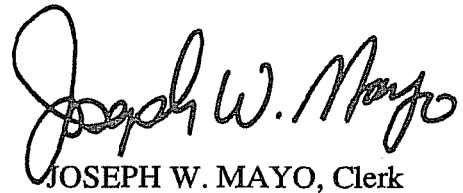
No. 583

H.P. 457

House of Representatives, February 22, 1993

An Act to Ensure Continuity of State-contracted Services.

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


JOSEPH W. MAYO, Clerk

Presented by Representative FARNSWORTH of Hallowell.
Cosponsored by Representatives: ADAMS of Portland, KUTASI of Bridgton.

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

4 Sec. 1. 5 MRSA c. 144, first 3 lines are repealed and the
4 following enacted in their place:

6 CHAPTER 144

8 PAYMENT OF OBLIGATIONS INCURRED BY
10 STATE AGENCIES

12 Sec. 2. 5 MRSA §1551, as enacted by PL 1983, c. 655, is
12 amended to read:

14 **§1551. Purpose**

16 The purpose of this chapter is to promote prompt payment of
18 obligations incurred by agencies of State Government. It is the
18 intent of the Legislature to prevent hardship for any business
20 concern or other person due to late payment of proper ~~inveiees~~
20 ~~fee~~ obligations incurred by state agencies. It is also the
22 intent of the Legislature to encourage business concerns and
22 other persons to provide prompt, dependable services and products
24 of a high quality and at a reasonable cost to State Government.

24 Sec. 3. 5 MRSA §1552, sub-§5-A is enacted to read:

26 5-A. Social service provider. "Social service provider"
28 means a person or a public or private nonprofit organization that:

30 A. Provides a social service. "Social service" includes,
32 but is not limited to, foster care; and

34 B. Is not an administrative unit of the Federal Government
34 or State Government.

36 Sec. 4. 5 MRSA §1554-A is enacted to read:

38 **§1554-A. Social service providers**

40 When a scheduled payment by a state agency to a social
42 service provider is not made within 14 days of the scheduled
42 payment date, the state agency shall pay a late fee of interest
44 at the rate of 12% per annum from the scheduled date.

46 **STATEMENT OF FACT**

48 This bill standardizes late fees to be paid by a state
agency at 12% per annum on all payments due to social service

2 providers when those payments are not made within 14 days of the scheduled payment date.