

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

SMY
2008

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16

Date: 5/31/11

L.D. 1221
(Filing No. H-389)

STATE AND LOCAL GOVERNMENT

Reproduced and distributed under the direction of the Clerk of the House.

**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 912, L.D. 1221, Bill, "An Act To Encourage Prompt Payments by the State When It Contracts with Outside Agencies"

Amend the bill in section 1 in §1554 in the first paragraph in the 5th line (page 1, line 8 in L.D.) by striking out the following: "1 1/2%" and inserting the following: '1%'

SUMMARY

This amendment changes the rate of a late fee if a state agency does not make the required payment for an invoice on time from 1 1/2% to 1% per month of the amount owed unless the contract includes a different amount to be levied if payment is late.

FISCAL NOTE REQUIRED
(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 1221

LR 1623(02)

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

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: State and Local Government
Fiscal Note Required: Yes

Fiscal Note

Potential current biennium cost increase - General Fund
Potential current biennium cost increase - Federal Expenditures Fund
Minor cost increase - Highway Fund

Fiscal Detail and Notes

Requiring all state agencies to pay a late fee of 1% per month in each instance when the affected agency does not pay its vendors timely unless the relevant vendor contract contains a different late fee structure may result in minor cost increases to all state agencies. However, this bill may have a significant fiscal impact on the Department of Health and Human Services, particularly the MaineCare program. The amount of additional funds needed to pay late fees can not be estimated at this time and will likely vary each fiscal year.