## SENATE SUMMARY OF HOUSE AMENDMENTS

SB 94 2018 Regular Session Appel

## KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

PUBLIC CONTRACTS. Provides that public entities are liable for interest due for failure to pay progressive stage or final payments on public contracts under certain conditions. (8/1/18)

## SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Technical committee amendment.

## DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

SB 94 Reengrossed

2018 Regular Session

Appel

<u>Present law</u> requires public entities to promptly pay all obligations arising under a public contract when the obligations are due and payable under the contract. Requires that if the public entity fails to make any progressive stage payment, without reasonable cause, within 45 days after receipt of a certified request for payment, the entity is liable for reasonable attorney fees.

<u>Proposed law</u> adds provision that the public entity is also liable for interest charged at 0.5% accumulated daily, not to exceed 15%.

<u>Present law</u> requires that if the public entity fails to make final payment after formal final acceptance and within 45 days after receipt of a clear lien certificate, the entity is liable for reasonable attorney fees. <u>Proposed law</u> adds provision that the entity is also liable for interest charged at 0.5% accumulated daily, not to exceed 15%.

<u>Proposed law</u> provides that any interest paid by public entities on public contracts shall be disbursed on a prorated basis among the contractors and subcontractors within ten business days of receipt of the interest payment.

Effective August 1, 2018.

(Amends R.S. 38:2191(B))

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