

## RÉSUMÉ DIGEST

**ACT 566 (SB 94)**

**2018 Regular Session**

**Appel**

Prior law required public entities to promptly pay all obligations arising under a public contract when the obligations are due and payable under the contract. Required 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.

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

Prior law required 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. New law adds provision that the entity is also liable for interest charged at 0.5% accumulated daily, not to exceed 15%.

New law 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))