

Representative Rebecca Himschoot

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CS HOUSE BILL 133 (34-LS0114Q.A)

“An Act establishing deadlines for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to reports from state agencies to the legislature detailing late payments made during 2026; relating to the state financial transactions Internet website; and providing for an effective date.”

EXPLANATION OF CHANGES

Version A to CS Version Q.A

(Updated 4.22.26)

- Section 1: All contract payment deadlines are now 45 days from receipt of invoice, instead of demarcating 30-day deadlines for state funds and 21-day deadlines for federal funds. This section goes into effect on July 1, 2027 (HFLR).
- Sections 2 – 4: Changes all 45-day deadlines to 30-day deadlines for payment of contracts. This section goes into effect on July 1, 2028 (HFLR).
- Section 5: Requires that a payment to a nonprofit, municipality, or Alaska Native organization must comply with article VIII, section 1 of the Constitution of the State of Alaska. This section applies to grants and reimbursements entered into or renewed on July 1, 2027 (HFLR).
- Section 5: The definition of "grant" is amended to narrow the scope and exclude non-monies (HCRA).
- Section 5: All grant and reimbursement payment deadlines to nonprofit organizations, municipalities, and Alaska Native organizations are now 45 days from receipt of payment request instead of demarcating 30-day deadlines for state funds and 21-day deadlines for federal funds. This section goes into effect on July 1, 2027 (HFLR).
- Sections 6 – 8: Changes all 45-day deadlines to 30-day deadlines for payment of grants and reimbursements to nonprofit organizations, municipalities, and Alaska Native organizations. This section goes into effect on July 1, 2028 (HFLR).
- Provision of the bill initially entitled "Section 3" is removed. This section required a 20 percent advance of the grant to be paid within 10 days. Many agencies already advance a larger percentage to the grantee, and this section would have allowed less funding to be advanced (HCRA).
- Sections 9 – 10: Requires all contract payments, as well as grant or reimbursement payments owed to a nonprofit, municipality, or Alaska Native organization, be reported on the Alaska Online Checkbook. The report must be comprehensive, detail any delays, and be updated monthly (HFLR).

- Section 11: Adds a new provision requiring each state agency submit a report to the Legislature on the first day of the Thirty-Fifth Legislature. The report must include the number of delayed payments made to a nonprofit, municipality, or Alaska Native Organization for grants or reimbursements, and to contractors for contracts. The report will also include the reason for and length of the delay (HFIN).