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CS HOUSE BILL 133 – VERSION T

“An Act establishing a 30-day deadline for the payment of contracts under the State Procurement Code; relating to the calculation of interest owed to a prime contractor; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; and providing for an effective date.”

SECTIONAL ANALYSIS

Section 1 amends AS 36.30 by adding a new section requiring a state agency to promptly pay a contractor for satisfactory service. Criteria are established for acceptable delays in payment and the protocol related to alerting a contractor to the reason for this delay. This section provides several timelines for the accrual of interest on late payments: a late payment will begin to accrue interest on the thirty-first calendar day after invoice, and a reasonably delayed payment will begin to accrue interest on the thirty-first calendar day after resolution on the contract has been found.

Section 2 amends AS 36.90.200 (b) by streamlining payment deadline and the start of interest accrual on late payments.

Section 3 amends AS 36.30 article 4 by adding a new section to include the prompt payment of grants and reimbursements for nonprofit organizations, municipalities, and Alaska Native organizations. Timelines delineating the accrual of interest on late payments are established, as are acceptable delays in payment and the protocol for noticing as such. This section also defines the terms used throughout this bill.

Section 4 provides July 1, 2026 as the effective date for this measure.