

Introduced: 2/16/83
Referred: State Affairs
and Finance

1 IN THE HOUSE

BY DUNCAN

2

HOUSE BILL NO. 205

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act providing for payment of interest by state
7 agencies on obligations not timely paid; and provid-
8 ing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 37.05 is amended by adding a new section to read:

11 Sec. 37.05.275. PAYMENT OF INTEREST. (a) A state agency that,
12 without reasonable cause, fails to make payment for goods or services
13 acquired by that agency within 30 days of the invoice date of a prop-
14 erly completed invoice and the receipt of the goods or services, shall
15 pay interest on the balance due in the amount of one and one-half
16 percent a month or portion of a month, computed from the later of the
17 date of the invoice or the date of receipt of the goods or services.

18 (b) This section applies to goods acquired by a state agency
19 including supplies, materials, and equipment, and to services,
20 provided under contract or ordered by purchase order. It does not
21 apply to services performed for a state agency by an individual
22 employed under the provisions of the State Personnel Act (AS 39.25).

23 (c) Payment is made when the payment personally delivered to the
24 seller or the agent of the seller, or on the date the payment is
25 delivered to the United States Post Office.

26 (d) For purposes of this section, "reasonable cause" shall exist
27 if

28 (1) the goods billed on the invoice have not been received
29 or were not those specified in the agency's order or contract, or were

1 not delivered in accordance with the terms of the contract or purchase
2 order;

3 (2) the services performed or the invoice for those ser-
4 vices did not conform to the terms and conditions of the contract.

5 (e) Interest paid under this section shall be charged to the
6 budget of the state agency incurring the interest.

7 (f) For purposes of this section, "state agency" means an organ-
8 ization that was created by law and that is primarily and directly
9 funded by appropriations.

10 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).