

Offered: 3/4/85  
For Today's Calendar

Original sponsor: Shultz

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 30 (Finance)(efd am S)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to payment for purchases by the  
7 state; and providing for an effective date."

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

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

10 Sec. 37.05.275. PAYMENT FOR STATE PURCHASES. (a) Payment for  
11 purchases of goods or services provided a state agency must be made by  
12 a required payment date that is

13 (1) the date on which payment is due under the terms of a  
14 contract; or

15 (2) 30 days after receipt of a proper billing for the  
16 amount of the payment due, if a date on which payment is due is not  
17 established by contract and if the billing contains or is accompanied  
18 by documents required by the contract or purchase order.

19 (b) If a seller offers a discount from the amount otherwise due  
20 for property or services in exchange for payment within a specified  
21 period of time, the state agency may make payment in an amount equal  
22 to the discounted price only if payment is made within the specified  
23 period of time.

24 (c) If payment for goods or services purchased by the state is  
25 not made on or before a required payment date under (a) of this sec-  
26 tion, the state shall pay interest on the unpaid balance from the  
27 required payment date at the rate of 1.5 percent a month, unless an  
28 agreement exists between the seller and the state that establishes a  
29 lower rate of interest or precludes the charging of interest. If the

1 interest-bearing period of time is either (1) a fraction of a month or  
2 (2) one or more full months plus a fraction of a month, the state  
3 agency shall pay the same amount of interest for the fraction of a  
4 month as it would pay for a full month.

5 (d) This section does not apply

6 (1) if the cost of the goods or services purchased exceeds  
7 \$500,000;

8 (2) to payment for specific goods or services in dispute  
9 after a seller of goods or services receives notice from the state  
10 official responsible for authorizing payment for goods and services  
11 that the amount of the invoice or quality of specific goods or ser-  
12 vices is in dispute and stating the reasons for the dispute; the state  
13 agency shall pay for the specific goods or services in dispute within  
14 30 days after resolution of the dispute; or

15 (3) to a contract covered by AS 36.90.001.

16 (e) Interest paid under (c) of this section shall be charged to  
17 the budget of the state agency that purchased the goods or services.

18 (f) In this section

19 (1) "dispute" means a determination by the state official  
20 responsible for authorizing the payments for the purchase of goods or  
21 services that the performance or price charged is not in compliance  
22 with the terms of the contract or purchase order;

23 (2) payment is considered made on the date when the payment  
24 is personally delivered to the seller or agent of the seller or on the  
25 date the payment is mailed;

26 (3) "state agency" has the meaning given in AS 37.05.400  
27 and also includes the legislative and judicial branches.

28 \* Sec. 2. This Act does not apply to contracts entered into before the  
29 effective date of this Act.

1      \* Sec. 3. This Act takes effect October 1, 1986.