

2020 Regular Session

SENATE BILL NO. 265

BY SENATOR PETERSON

PUBLIC CONTRACTS. Provides relative to payments under public contracts. (8/1/20)

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AN ACT

To amend and reenact R.S. 38:2191(C), relative to public contracts; to provide that the payment of attorney fees and interest on amounts due for failure to pay progressive stage or final payments under certain circumstances, may be waived by contract; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 38:2191(C) is hereby amended and reenacted to read as follows:

§2191. Payments under contract

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C. The provisions of this Section shall ~~not~~ be subject to waiver by contract.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Martha S. Hess.

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DIGEST

SB 265 Original

2020 Regular Session

Peterson

Present law provides that public entities shall promptly pay all obligations arising under a public contract when the obligations are due and payable under the contract. Requires 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 and interest charged at 0.5% accumulated daily, not to exceed 15%.

Present law requires 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 and interest charged at 0.5% accumulated daily, not to exceed 15%.

Present 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.

Present law provides that the provisions of present law may not be waived by contract. Proposed law changes present law to allow the provisions of present law to be waived by contract.

Effective August 1, 2020.

(Amends R.S. 38:2191(C))