SLS 18RS-452 ORIGINAL

2018 Regular Session

SENATE BILL NO. 94

BY SENATOR APPEL

PUBLIC CONTRACTS. Provides that public entities are liable for interest due for failure to pay progressive stage or final payments on public contracts under certain conditions. (8/1/18)

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To amend and reenact R.S. 38:2191(B), relative to public contracts; to provide for payment of interest on amounts due for failure to pay progressive stage or final payments under certain circumstances; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 38:2191(B) is hereby amended and reenacted to read as follows: §2191. Payments under contract

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B. Any public entity failing to make any progressive stage payment within forty-five days following receipt of a certified request for payment by the public entity without reasonable cause shall be liable for reasonable attorney fees and interest charged at one and one-half percent accumulated daily, not to exceed fifteen percent. Any public entity failing to make any final payments after formal final acceptance and within forty-five days following receipt of a clear lien certificate by the public entity shall be liable for reasonable attorney fees and interest charged at one and one-half percent accumulated daily, not to exceed fifteen percent.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST 2018 Regular Session

SB 94 Original

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Appel

<u>Present law</u> requires public entities to 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.

<u>Proposed law</u> adds provision that the public entity is also liable for interest charged at 1.5% accumulated daily, not to exceed 15%.

<u>Present law</u> 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. <u>Proposed law</u> adds provision that the entity is also liable for interest charged at 1.5% accumulated daily, not to exceed 15%.

Effective August 1, 2018.

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