

By Mr. Caron of Springfield, petition of Paul E. Caron relative to promoting the prompt payment by the Commonwealth for goods and services properly ordered thereby. State Administration.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Eighty-Four.

**AN ACT PROMOTING THE PROMPT PAYMENT BY THE COMMONWEALTH FOR GOODS AND SERVICES PROPERLY ORDERED THEREBY.**

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 29 of the General Laws is hereby amended by adding at  
2 the end of section 29B thereof a new section as follows: —

3 *Section 29C.* In accordance with regulations promulgated by  
4 the Secretary of Administration, and except as otherwise provided  
5 for by any other general or special law, each agency of the legisla-  
6 tive, executive and judicial branches of the government of the  
7 Commonwealth which acquires property or services from a busi-  
8 ness concern but which does not make payment for each such  
9 complete delivered item of property or service by the required  
10 payment date shall pay an interest penalty to such business concern  
11 in accordance with this section on the amount of payment which is  
12 due. Such regulations shall specify the following:

13 (A) that the required payment date shall be:

14 (1) the date on which payment is due under the terms of the  
15 contract for the provision of such property or service; or,

16 (2) not more than thirty (30) working days after receipt of a  
17 proper invoice for the amount of payment due, if a specific date on  
18 which payment is due is not established by contract;

19 (B) for separate payment dates for contracts under which prop-  
20 erty or services are provided in a series of partial executions or  
21 deliveries, to the extent that such contract provides for such partial  
22 execution or delivery;

23 (C) that, within fifteen (15) working days after the date on which  
24 any invoice is received, state agencies notify the business concern of

25 any defect or impropriety in such invoice which would prevent the  
26 running of the time period specified in this section.

27 Interest payments on amounts due to a business concern under  
28 this section shall be paid to the business concern for the period  
29 beginning on the day after the required payment date and shall end  
30 on the date on which payment of the amount is made, except no  
31 interest payment shall be paid if payment for the item of property  
32 or service concerned is made on or before the third day after the  
33 required payment date.

34 Any amount of interest payment which remains unpaid at the  
35 end of any thirty day period shall be added to the principle amount  
36 of the debt and thereafter interest penalties shall accrue on such  
37 added amount.

38 This section does not authorize the appropriation of additional  
39 funds for the payment of interest penalties required hereunder. An  
40 agency of the Commonwealth shall pay any interest penalties  
41 required by this section out of funds appropriated for the adminis-  
42 tration or operation of the program for which the penalty was  
43 incurred.

44 Interest penalties provided for under this section shall be com-  
45 puted at a rate to be set semi-annually by the Secretary of Adminis-  
46 tration on January 1 and July 1 of each year, providing however,  
47 that such rate shall not be lower than 8% per annum.

48 Each agency of government in the Commonwealth shall file with  
49 the Secretary of Administration a detailed report on any interest  
50 penalties made under this section during the preceding fiscal year.  
51 Such report shall include the number, amounts, frequency of inter-  
52 est penalty payments, and the reasons such payments were not  
53 avoided by prompt payment and shall be delivered to the Secretary  
54 of Administration not more than sixty days after the conclusion of  
55 each fiscal year. The Secretary shall then file a copy of such reports  
56 with the Committee on Ways and Means of the House of Repre-  
57 sentatives and the Senate of the Commonwealth.

58 This section shall apply to all property or services acquired on or  
59 after the first day of the month next succeeding the effective date of  
60 the Act establishing this section or July 1, 1983, whichever comes  
61 later, and the Secretary of Administration shall promulgate such  
62 regulations as required herein by such date. The provisions of this  
63 section shall be enforceable by a suit brought in the Trial Court of  
64 the Commonwealth.