



**House
Legislative
Analysis
Section**

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PROMPT PAYMENT BY MDOT

House Bill 4713
Sponsor: Rep. Harold S. Voorhees
Committee: Commerce

Complete to 9-5-95

A SUMMARY OF HOUSE BILL 4713 AS INTRODUCED 4-25-95

Public Act 279 of 1984 requires state departments to provide prompt payment when contracting with private businesses for goods and services, and imposes a late payment charge on departments that fail to pay on time. The bill would amend the act to specify that, unless otherwise agreed to in writing, the Department of Transportation would have to ensure that payment for a construction project awarded by it was mailed to a private enterprise within 45 days after either 1) the date the department determined the project had been completed or 2) the scheduled completion date of the project, adjusted for any approved extensions of time--whichever was earlier. The department would have to pay an additional amount of .75 percent of the amount owed the private enterprise for past-due amounts. The bill would apply to construction contracts awarded by the department after June 30, 1995.

MCL 17.51 et al.

House Bill 4713 (9-5-95)