



# HOUSE BILL No. 4713

April 25, 1995, Introduced by Reps. Voorhees, Kukuk, DeMars, Green, Horton and Llewellyn and referred to the Committee on Commerce.

A bill to amend the title and sections 1, 2, 4, and 6 of Act No. 279 of the Public Acts of 1984, entitled

"An act to provide for prompt payment by principal executive departments to private enterprises for goods and services; and to prescribe penalties,"

being sections 17.51, 17.52, 17.54, and 17.56 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 4, and 6 of Act  
2 No. 279 of the Public Acts of 1984, being sections 17.51, 17.52,  
3 17.54, and 17.56 of the Michigan Compiled Laws, are amended to  
4 read as follows:

### TITLE

5  
6 An act to provide for prompt payment by principal executive  
7 departments to private enterprises for goods, ~~and~~ services, AND  
8 CERTAIN CONSTRUCTION; and to prescribe penalties.

1       Sec. 1. As used in this act, "private enterprise" means a  
2 business ~~which~~ THAT provides goods, ~~or~~ services, OR CERTAIN  
3 CONSTRUCTION and ~~which~~ THAT is not a governmental entity.

4       Sec. 2. (1) Unless otherwise agreed in writing, a principal  
5 executive department shall take all steps necessary to assure  
6 that payment for goods or services is mailed to a private enter-  
7 prise within 45 days after the DATE THE principal executive  
8 department receives the goods or services, a complete invoice for  
9 the goods or services, or a complete contract for goods or serv-  
10 ices, whichever is later.

11       (2) UNLESS OTHERWISE AGREED IN WRITING, THE STATE TRANSPOR-  
12 TATION DEPARTMENT SHALL TAKE ALL STEPS NECESSARY TO ASSURE THAT  
13 PAYMENT FOR A CONSTRUCTION PROJECT AWARDED BY THE DEPARTMENT IS  
14 MAILED TO A PRIVATE ENTERPRISE WITHIN 45 DAYS AFTER THE DATE THE  
15 DEPARTMENT HAS DETERMINED THAT THE PROJECT IS COMPLETED OR WITHIN  
16 45 DAYS AFTER THE SCHEDULED COMPLETION DATE OF THE PROJECT,  
17 ADJUSTED FOR ANY APPROVED EXTENSIONS OF TIME, WHICHEVER IS  
18 EARLIER.

19       Sec. 4. (1) Except as provided in section 5, if a payment  
20 owed by a principal executive department to a private enterprise  
21 for goods, ~~or~~ services, OR CONSTRUCTION is past due AS PROVIDED  
22 BY THIS ACT, the principal executive department shall pay an  
23 additional amount equal to 0.75% of the payment to the private  
24 enterprise to which payment is due. The principal executive  
25 department shall pay an additional amount equal to 0.75% of the  
26 payment due for the first month and each succeeding month or  
27 portion of a month the payment remains past due.

1 (2) A principal executive department shall not require a  
2 private enterprise to submit a petition, bill, statement, or  
3 other additional notice in order to collect an amount due under  
4 subsection (1).

5 Sec. 6. This act ~~shall apply~~ APPLIES only to goods ~~or~~  
6 AND services ~~which~~ THAT are received and for which a complete  
7 invoice is received by a principal executive department after  
8 September 30, 1984, AND TO CONTRACTS FOR CONSTRUCTION AWARDED BY  
9 THE STATE TRANSPORTATION DEPARTMENT AFTER JUNE 30, 1995.