The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

SB 94 Reengrossed 2018 Regular Session Appel

Present law 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.

Proposed law adds provision that the public entity is also liable for 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. Proposed law adds provision that the entity is also liable for interest charged at 0.5% accumulated daily, not to exceed 15%.

Proposed 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.

Effective August 1, 2018.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Changes the rate of interest charged from 1.5% to 0.5%.

Senate Floor Amendments to engrossed bill

1. Adds a provision requiring that any interest paid by public entities shall be disbursed on a prorated basis among the contractors and subcontractors within 10 business days of receipt of the interest payment.