

HOUSE BILL No. 5752

April 13, 1992, Introduced by Reps. Hoekman, Hertel, Baade, Gernaat, Muxlow, Bartnik, Olshove, Kosteva, DeBeaussaert, DeLange, Hoffman, Middaugh, Brackenridge, Dalman, Byrum, Van Singel and Gnodtke and referred to the Committee on State Affairs.

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:

5 TITLE

6 An act to provide for prompt payment by principal executive
7 departments to private enterprises for goods, ~~and~~ services, AND
8 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
3 CONSTRUCTION and which is not a governmental entity.

4 Sec. 2. Unless otherwise agreed in writing, a principal
5 executive department shall take all steps necessary to assure
6 that: ~~payment~~

7 (A) PAYMENT for goods or services is mailed to a private
8 enterprise within 45 days after the DATE THE principal executive
9 department receives the goods or services, a complete invoice for
10 the goods or services, or a complete contract for goods or serv-
11 ices, whichever is later.

12 (B) PAYMENT FOR A CONSTRUCTION PROJECT IS MAILED TO A PRI-
13 VATE ENTERPRISE WITHIN 45 DAYS AFTER THE DATE THE PRINCIPAL EXEC-
14 UTIVE DEPARTMENT HAS DETERMINED THAT THE PROJECT IS COMPLETED OR
15 WITHIN 45 DAYS AFTER THE SCHEDULED COMPLETION DATE OF THE
16 PROJECT, ADJUSTED FOR ANY APPROVED EXTENSIONS OF TIME, WHICHEVER
17 IS EARLIER.

18 Sec. 4. (1) Except as provided in section 5, if a payment
19 owed by a principal executive department to a private enterprise
20 for goods, ~~or~~ services, OR CONSTRUCTION is past due, the prin-
21 cipal executive department shall pay an additional amount equal
22 to 0.75% of the payment to the private enterprise to which pay-
23 ment is due. The principal executive department shall pay an
24 additional amount equal to 0.75% of the payment due for the first
25 month and each succeeding month or portion of a month the payment
26 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 ENTERED
9 INTO AFTER JUNE 30, 1992.