

Enrolled
House Bill 3264

Sponsored by Representatives BYNUM, GOMBERG, CLEM, Senator RILEY; Representative HEARD, Senator MANNING JR

CHAPTER

AN ACT

Relating to prompt payment by contracting agencies; and prescribing an effective date.

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Department of Transportation shall conduct a pilot program on the prompt payment of certain contracts as described in this section.

(2) When the department receives an invoice or other demand for payment for qualified services from a contractor that is a small business, the department shall pay the invoice or demand within 15 days after the later of:

- (a) The date the department receives the invoice or demand; or
- (b) The date that payment is due on the invoice or demand.

(3) Subsection (2) of this section applies only if the contractor certifies to the department that the contractor is a small business in accordance with this subsection. A certification under this subsection must:

- (a) State the number of employees currently employed by the contractor;
 - (b) Be in writing, signed and dated; and
 - (c) Be transmitted to the department as an attachment to the invoice or demand.
- (4) Subsection (2) of this section applies only to amounts due for services completed and accepted under the terms of the applicable contract.

(5) Subsection (2) of this section applies only to invoices or demands that are:

- (a) Pursuant to contracts executed on or after January 1, 2018; and
- (b) Received by the department before June 30, 2019.

(6) If the department does not timely pay amounts due to a contractor as required by subsection (2) of this section, the department shall pay interest to the contractor at the rate of 1.5 percent per month on any amounts not timely paid.

(7) Nothing in this section affects the contractual rights or obligations of any party.

(8) As used in this section:

(a) "Qualified services" means architectural, engineering, photogrammetric mapping, transportation planning or land surveying services or related services, as those terms are defined in ORS 279C.100.

(b) "Small business" means a business that employs not more than 50 employees.

SECTION 2. A person who knowingly supplies false information to the Department of Transportation in connection with a certification under section 1 (3) of this 2017 Act commits a Class A misdemeanor.

SECTION 3. No later than March 31, 2019, the Department of Transportation shall report to the Legislative Assembly in the manner provided under ORS 192.245 on the results of the pilot program described in section 1 of this 2017 Act.

SECTION 4. Sections 1 to 3 of this 2017 Act are repealed on January 2, 2020.

SECTION 5. This 2017 Act takes effect on the 91st day after the date on which the 2017 regular session of the Seventy-ninth Legislative Assembly adjourns sine die.

Passed by House May 2, 2017

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Timothy G. Sekerak, Chief Clerk of House

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Tina Kotek, Speaker of House

Passed by Senate May 24, 2017

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Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2017

Approved:

.....M.,....., 2017

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Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2017

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Dennis Richardson, Secretary of State