

**A-Engrossed**  
**House Bill 3264**

Ordered by the House April 21  
Including House Amendments dated April 21

Sponsored by Representatives BYNUM, GOMBERG, CLEM; Representative HEARD

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Directs [*contracting agency*] **Department of Transportation to conduct pilot program on prompt payment of certain contracts. Directs department to pay small business for certain services** within 15 days of receipt of invoice or due date for payment, whichever is later. Requires small business to certify eligibility for prompt payment. Requires [*contracting agency*] **department to pay interest on payments that are not made promptly.**

Creates crime of knowingly supplying false information in connection with certification as small business. Punishes by maximum of one year's imprisonment, \$6,250 fine, or both.

**Directs department to report to Legislative Assembly on results of pilot program.**

**Sunsets January 2, 2020.**

**Takes effect on 91st day following adjournment sine die.**

**A BILL FOR AN ACT**

1  
2 Relating to prompt payment by contracting agencies; and prescribing an effective date.

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

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

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

9 **(a) The date the department receives the invoice or demand; or**

10 **(b) The date that payment is due on the invoice or demand.**

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

14 **(a) State the number of employees currently employed by the contractor;**

15 **(b) Be in writing, signed and dated; and**

16 **(c) Be transmitted to the department as an attachment to the invoice or demand.**

17 **(4) Subsection (2) of this section applies only to amounts due for services completed and**  
18 **accepted under the terms of the applicable contract.**

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

20 **(a) Pursuant to contracts executed on or after January 1, 2018; and**

21 **(b) Received by the department before June 30, 2019.**

22 **(6) If the department does not timely pay amounts due to a contractor as required by**  
23 **subsection (2) of this section, the department shall pay interest to the contractor at the rate**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 of 1.5 percent per month on any amounts not timely paid.

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

3 (8) As used in this section:

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

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

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

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

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

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

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