

House Bill 3264

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 **as introduced**.

Directs contracting agency to pay small business 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 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.

A BILL FOR AN ACT

1
2 Relating to prompt payment by contracting agencies.

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

4 **SECTION 1. Sections 2 and 3 of this 2017 Act are added to and made a part of ORS**
5 **chapter 279A.**

6 **SECTION 2. (1) A contracting agency that receives an invoice or other demand for pay-**
7 **ment from a contractor that is a small business shall pay the invoice or demand within 15**
8 **days after the later of:**

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

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

11 (2) **Subsection (1) of this section applies only if the contractor certifies to the contracting**
12 **agency that the contractor is a small business in accordance with this subsection. A**
13 **contractor's certification that the contractor is a small business 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 contracting agency as an attachment to the invoice or demand.**

17 (3) **A contracting agency that does not timely pay amounts due to a contractor as re-**
18 **quired by subsection (1) of this section shall pay simple interest on any amounts not timely**
19 **paid at the rate of one percent per week or fraction thereof.**

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

21 (5) **As used in this section, "small business" means a business that employs not more**
22 **than 200 employees.**

23 **SECTION 3. A person who knowingly supplies false information to a contracting agency**
24 **in connection with a certification under section 2 (2) of this 2017 Act commits a Class A**
25 **misdemeanor.**

26 **SECTION 4. Sections 2 and 3 of this 2017 Act become operative on July 1, 2018.**
27

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.