

BY adding to

Article 21 - Procurement
Section 3-1101 through 3-1105 to be under the new subtitle
"Subtitle 11. Payment of State Obligations"
Annotated Code of Maryland
(1981 Replacement Volume and 1982 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 21 - Procurement

SUBTITLE 11. PAYMENT OF STATE OBLIGATIONS

3-1101:

(A) - (1) - IT IS THE POLICY OF THIS STATE THAT ANY PAYMENT DUE TO A CONTRACTOR FROM THE STATE OR ANY OF ITS AGENCIES UNDER ANY PROCUREMENT CONTRACT ENTERED INTO BY THE STATE OR ANY OF ITS AGENCIES SHALL BE PAID TO THE CONTRACTOR WITHIN 30 DAYS OF ITS DUE DATE.

(2) - FOR THE PURPOSES OF THIS SUBTITLE, THE DUE DATE IS THE DATE THAT THE INVOICE IS RECEIVED BY THE CONTRACTING AGENCY.

(B) - IF PAYMENT IS MADE TO A CONTRACTOR BY THE STATE OR A STATE AGENCY UNDER A PROCUREMENT CONTRACT ENTERED INTO BY THE STATE OR A STATE AGENCY MORE THAN 30 DAYS AFTER ITS DUE DATE, THE CONTRACTOR IS ENTITLED TO AN INTEREST PAYMENT, COMPUTED AT AN ANNUAL RATE OF UP TO 18 PERCENT, FOR THE PERIOD THAT BEGINS 31 DAYS AFTER THE DUE DATE OF THE PAYMENT AND ENDS ON THE DATE OF PAYMENT.

(C) - WITH THE APPROVAL OF THE BOARD OF PUBLIC WORKS, THE COMPTROLLER MAY ADJUST THE MAXIMUM INTEREST RATE SET BY SUBSECTION (B) OF THIS SECTION IN ORDER TO REFLECT CHANGES IN THE PREVAILING MARKET INTEREST RATES.

(D) - THIS SECTION DOES NOT APPLY IF -

(1) - AN AGENCY HAS NEGOTIATED A PAYMENT PLAN WITH A CONTRACTOR THAT ALLOWS PAYMENT TO BE MADE OVER A PERIOD LONGER THAN 30 DAYS,

(2) - AN INVOICE IS SUBMITTED BEFORE RECEIPT OF THE CONTRACTED GOODS OR SERVICES,

(3) - AN INVOICE IS INCORRECT OR IS IN DISPUTE, OR

(4) - THE TERMS OF THE PROCUREMENT CONTRACT ARE NOT COMPLETED SATISFACTORILY.