

# SENATE BILL REPORT

## SB 5848

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As of February 21, 2003

**Title:** An act relating to the timely payment by government on contract claims.

**Brief Description:** Ensuring that government pays its obligations in a timely manner.

**Sponsors:** Senators Brandland, Haugen, Esser, T. Sheldon, Johnson, Hargrove, Sheahan and Shin.

**Brief History:**

**Committee Activity:** Judiciary: 2/26/03.

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### SENATE COMMITTEE ON JUDICIARY

**Staff:** Aldo Melchiori (786-7439)

**Background:** Claims on unpaid public contracts, for public works, personal services, goods and services, equipment and travel, accrue interest at the rate of 1 percent per month whenever the agency or governmental unit fails to make timely payment. Claims subject to a good faith dispute do not accrue interest if notice of the dispute is given.

**Summary of Bill:** Claims on unpaid public contracts, for public works, personal services, goods and services, equipment and travel, accrue interest at the rate of 1 and one-half percent per month whenever the agency or governmental unit fails to make timely payment. Interest does not accrue on the portion of the claim that is being disputed in good faith. Any portion not in dispute, however, accrues interest unless it is timely made. A prevailing claimant shall be awarded the interest due on payments not withheld in good faith, costs, and reasonable attorney fees incurred, as well as an amount not less than \$5 nor greater than \$100 per day for each day the undisputed payments were withheld.

**Appropriation:** None.

**Fiscal Note:** Requested on February 21, 2003.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.