



General Assembly

January Session, 2005

**Raised Bill No. 1229**

LCO No. 4191

\*04191\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***AN ACT CONCERNING PROMPT PAYMENT PROCEDURES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 4a-71 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 (a) Except as provided in section 4a-73, each state department and  
4 agency shall pay interest at a rate [of one per cent per month] equal to  
5 the monthly effective yield for the Short Term Investment Fund  
6 administered by the Treasurer pursuant to sections 3-27a to 3-27f,  
7 inclusive, on amounts due on written contracts for public works,  
8 personal services, goods and services, equipment and travel, whenever  
9 such department or agency fails to make timely payment.

10 (b) For the purposes of this section, payment shall be timely if: (1) A  
11 check or warrant is mailed or delivered on the date specified for the  
12 amount specified in the applicable contract documents, or, if no date is  
13 specified, within forty-five days of receipt of a properly completed  
14 claim or receipt of goods and services, whichever is later; or (2) for any  
15 amount that is required to be withheld under state or federal law, a  
16 check or warrant is mailed or delivered in the proper amount on the

17 date the amount may be released under the applicable law.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	4a-71

***Statement of Purpose:***

To more accurately reflect the current rates of interest for such transactions, yielding savings for the state and making state practice consistent with current business practice.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*