

CHAPTER 144

PAYMENT OF INVOICES RECEIVED FROM BUSINESS CONCERNS

§1551. Purpose

The purpose of this chapter is to promote prompt payment of obligations incurred by agencies of State Government. It is the intent of the Legislature to prevent hardship for any business concern due to late payment of proper invoices for obligations incurred by state agencies. It is also the intent of the Legislature to encourage business concerns to provide prompt, dependable services and products of a high quality and at a reasonable cost to State Government. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1552. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings. [PL 1983, c. 655 (NEW).]

1. Business concern. "Business concern" means a person, partnership or corporation engaged in providing property, products or services for the purpose of gain, benefit or advantage, either direct or indirect, whether or not the concern is organized for profit or not for profit. [PL 1983, c. 655 (NEW).]

2. Commissioner. "Commissioner" means the Commissioner of Administrative and Financial Services. [PL 1991, c. 780, Pt. Y, §44 (AMD).]

3. Controller. "Controller" means the State Controller. [PL 1983, c. 655 (NEW).]

4. Improper invoice. "Improper invoice" means an invoice which is:

- A. Incorrectly calculated; [PL 1983, c. 655 (NEW).]
- B. Received for property, products or services that are unsatisfactory with respect to quantity or quality; or [PL 1983, c. 655 (NEW).]
- C. Received for property, products or services for which there is no request. [PL 1983, c. 655 (NEW).]

[PL 1983, c. 655 (NEW).]

5. Proper invoice. "Proper invoice" means an invoice for property, products or services deemed to be satisfactory in quality and quantity, in conformance with the request of the state agency and on which the amount due has been correctly calculated. [PL 1983, c. 655 (NEW).]

6. State agency. "State agency" means any body of State Government authorized by law to adopt rules, to issue licenses or to take final action in adjudicatory proceedings, including, but not limited to, every authority, board, bureau, commission, department or officer of the State Government so authorized; but the term does not include the Governor, courts, University of Maine System, Maine Maritime Academy, school districts, special purpose districts or municipalities, counties or other political subdivisions of the State. [PL 1985, c. 779, §15 (AMD).]

SECTION HISTORY

PL 1983, c. 655 (NEW). PL 1985, c. 779, §15 (AMD). PL 1985, c. 785, §A54 (AMD). PL 1991, c. 780, §Y44 (AMD).

§1553. Standards

The commissioner shall require state agencies to assure prompt payment by means of the following standards. [PL 1983, c. 655 (NEW).]

1. Required payment date. The required payment date for any proper invoice for which a state agency has incurred an obligation to a business concern shall be no more than 25 working days from the date the state agency receives a proper invoice or from the date of receipt of the property, products or services, whichever is later, unless the agency and the business concern have agreed to another payment date.

[PL 1983, c. 655 (NEW).]

2. Notice of receipt of improper invoice. In the event the state agency receives an improper invoice, the agency shall immediately notify the business concern in writing. This written notice shall reasonably describe why the invoice is deemed to be improper. Disputes shall be handled under section 1510-A.

[PL 1983, c. 655 (NEW).]

3. Specifications of a required payment date for corrected invoices. In the event that an improper invoice is received by a state agency, it shall be returned within 15 days of receipt to the business concern for correction. Upon receiving a corrected invoice, payment shall be made in accordance with subsection 1.

[PL 1983, c. 655 (NEW).]

4. Procedure for submitting invoices to controller. An expeditious procedure shall be developed for the submission of invoices received by a state agency to the controller. In the event that obligations of an agency are not paid through the controller, a procedure shall be developed by the commissioner to ensure prompt payment.

[PL 1983, c. 655 (NEW).]

5. Duties of the state agency. It shall be the responsibility of the state agency that incurs a late fee pursuant to this chapter to calculate the amount of the late fee and add that fee to the amount of the invoice prior to submission of the invoice to the controller. In calculating the amount of the late fee which will be added to the invoice, the state agency shall assume and calculate an additional late fee equivalent to the 10 working days necessary for the invoice to be processed by the controller.

[PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1554. Payment of late fees

In the event that a proper invoice is not paid within 25 working days after receipt of the invoice, or within 15 days following another date agreed to by the state agency and the business concern, the agency shall be liable to pay a reasonable late fee that shall not exceed the normal late charge that the business concern levies on the amount due on the invoice. [PL 1983, c. 655 (NEW).]

In the event that federal moneys are the budgeted source of funds for payment to business concerns for state agency purchases of goods, property or services, and these moneys are unexpectedly withheld and delayed from reaching the State in time to pay proper invoices without incurring a late fee, the state agency which made the purchases and the State of Maine shall not be liable for any late fees on overdue payments. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1555. Period of time for which late fees are imposed

The late fee shall apply to the period beginning on the day after the required payment date and ending on the date on which payment of the amount due on the invoice is made. An amount of a late fee which remains unpaid at the end of any 30-day period, after the required payment date, shall be added to the principal amount of the debt and, thereafter, late fees shall accrue on the added amount. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1556. Source of payment for late fees

Any late fee authorized by this chapter to be applied to a proper invoice shall be paid from funds made available for the administration or operation of the program or state agency for which the obligation was incurred. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1557. Late fees and improper invoices

With respect to an improper invoice, the late fee shall apply to the period beginning on the day after the required payment date is due as specified on the corrected and proper invoice and ending on the date on which payment of the amount due on the invoice is made. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

§1558. Annual report

The State Controller shall annually report on the amount of late fees incurred by the various state agencies. [PL 1983, c. 655 (NEW).]

SECTION HISTORY

PL 1983, c. 655 (NEW).

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