

2021 -- H 5274

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LC000714
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- PROMPT PAYMENT BY
DEPARTMENT OF ADMINISTRATION

Introduced By: Representative John G. Edwards

Date Introduced: January 29, 2021

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 42-11.1-3 of the General Laws in Chapter 42-11.1 entitled "Prompt
2 Payment by Department of Administration" is hereby amended to read as follows:

3 **42-11.1-3. Time period for payment.**

4 (a) All bills shall be paid within thirty (30) ~~working~~ calendar days of receipt of a proper
5 invoice or other contractual dates for periodic payments, except when a contractor has failed to
6 submit a bill in accordance with contractually imposed time frames.

7 (b) Each contractor shall make payment to subcontractors within ~~ten (10)~~ five (5) calendar
8 days of receipt of payment by the state; provided, however, that the contractor may setoff a payment
9 due to a subcontractor by an amount equal to the amount of an unpaid legally enforceable debt
10 owed by the subcontractor to the contractor or any amount which the contractor is entitled to
11 withhold under the terms of the contract entered into by the contractor and subcontractor, or any
12 amount owed by the subcontractor to the contractor by way of a statutory obligation, or enforceable
13 lien, of which the contractor or subcontractor had previous knowledge or notice, or has reason to
14 believe exists.

15 (c) The director of the department of administration shall have the power to impose
16 sanctions upon a contractor or subcontractor who has failed to comply with the provisions of this
17 section. Such sanctions may include, but are not limited to, the sanctions set forth in § 37-14.1-8.
18 The division of purchases, in consultation with the office of diversity, equity, and opportunity, shall

1 [establish, by rules and regulations promulgated in accordance with chapter 35 of title 42, standards](#)
2 [for enforcement and procedures for receiving and reviewing inquiries regarding a contractor's](#)
3 [noncompliance with the provisions of this section.](#)

4 ~~(e)~~(d) This section shall not apply to contractors or subcontractors performing work
5 pursuant to a contract awarded by the department of transportation unless the subcontractor
6 provides a payment and performance bond in an amount equal to the contract between the
7 contractor and subcontractor.

8 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would amend the provisions for the timely payment of monies owed by the
2 department of administration to contractors and would further require prompt payment by the
3 contractors to their subcontractors and payments by subcontractors to lower tier subcontractors and
4 would allow the department to impose sanctions for failure to comply with any prompt payment
5 provisions.

6 This act would take effect upon passage.

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