

**EIGHTH ANNUAL
NORTHEAST SURETY AND FIDELITY CLAIMS
CONFERENCE
NOVEMBER 6TH - 7TH , 1997**

***A SURVEY: STATE PROMPT PAYMENT ACTS
AND THE SURETY***

PRESENTED BY

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I. Introduction¹

This paper is intended to provide familiarity with common provisions of prompt payment statutes under state law, and to provide in table form a quick reference guide to the major provisions of each state's primary prompt payment law. The reader should be aware that many states have prompt payment provisions applicable to limited classes of owners, or limited classes of goods and services. The statutes themselves should be consulted to determine the full applicability and effect of the prompt payment obligations.

II. The Surety and Prompt Payment Statutes

The surety encounters prompt payment statutes under two primary circumstances. The first is when a supplier or subcontractor of a bonded contractor makes a claim on the principal's bond which includes a claim for interest, penalties, or attorneys' fees under the applicable prompt payment statute. In that situation the question is whether the surety is liable for prompt payment interest, penalties and attorneys' fees under its bond. Other times, the surety is asserting the prompt payment claim. The surety may make a prompt payment claim against the obligee if the obligee has failed to promptly pay the principal. The surety may have this claim by assignment or subrogation. In either case, the surety must look to the controlling prompt payment statute for guidance.

III. The Common Provisions of a Prompt Payment Statute

Although the prompt payment statutes differ from state to state, they typically address a core set of issues relating to timing of payments by owners to the prime contractor, and from the prime contractor to subcontractors. Several of those issues are discussed below.

A. Scope and Applicability

The statutes often apply to and are tailored to construction contracts and the construction payment process in particular. Some states have broad payment statutes that regulate payment by the state or its subdivisions in general to all state suppliers. The provisions relating to construction contracts may apply only to payments by the state, or may regulate payments by the prime contractor to subcontractors. The statutes effect this either by setting out payment provisions directly in the statute, or by requiring contracts within the scope of the statute to contain prescribed provisions in the contract itself. Statutes regulating payment by the prime contractor may regulate payment only to first tier subcontractors, or mandate terms down the entire contracting chain. At least one statute expressly applies to oral contracts.² Other statutes provide that the scope of application is written contracts.³ Work

¹The authors wish to gratefully acknowledge the assistance of Reinert & Duree, P.C. law clerk James H. Fuld with research for this paper.

²Me. Rev. Stat. Ann. Tit. 10, § 1111.

³Conn. Gen. Stat. § 4a-1(a).

performed under oral contracts in whole or in part may not earn interest as a result.

B. Time limits for payment.

Payment by the owner or contractor must be made within a certain period of time.⁴ The payment time for the owner ranges from fourteen days in Arizona and Iowa to ninety days in Arkansas. As one might expect, the time frame for payment by prime contractors to subcontractors is typically shorter, ranging from seven days in thirteen states to sixty-five days in Massachusetts. For payments made by the prime contractor down the payment chain, the payment period is typically triggered by the date payment is made upstream to the payor. If the payor makes payment within the payment period, no interest or penalty is assessed. The payment due date for owners is calculated from a specified triggering event. That event varies in the statutes, but most look to date the owner receives the invoice from the prime contractor, or to the later of receipt of the invoice or receipt of the goods and services provided, or to the later of receipt of the invoice or receipt and acceptance of goods and services delivered. If acceptance comes into play, then the statutes may impose a requirement of timeliness in acceptance, or require the owner give notice of non-acceptance to the prime contractor and specify the reasons therefor. This attempts to address the situation where the owner delays payment by unjustifiably delaying acceptance of the goods, while addressing concerns that the owner should not have to pay interest for nonpayment on nonconforming goods.

Some states grant a "grace period" of additional time beyond the payment due date within which the payor will not incur interest or penalty if late payment is made.⁵ Grace period provisions typically apply only to owner-prime contractor payments, and are relatively short, ranging from no grace period in a majority of states to thirty days in Florida.

Final payment is often times treated differently in construction contracts, since this is the end performance by the owner or payor in the contract chain. States may provide a longer payment period for final payment.

C. Interest

If the payor does not timely pay, then it becomes obligated to pay interest on the unpaid funds.⁶ The interest rate is often a fixed rate set forth in the statute, expressed in a daily, monthly, or yearly rate, that ranges from 9% in Maryland to 24% in California and Illinois. Some statutes do not set forth a rate, but refer to another fixed statutory rate such as the post-judgment interest rate. Other statutes refer to a rate set from time to time by an executive

⁴See chart entries under the line item "Number of days in which payment due from Owner to Prime Contractor" and "Number of days in which payment due from Prime Contractor to subcontractor."

⁵See chart entries under the line item "Grace period (in days) after payment due date during which no interest due if payment made within the grace period."

⁶See chart entries under the line item "Interest rate on late-paid funds."

branch agency or commission. Those statutes may set forth a "floor" rate that must be paid if the referenced rate drops in times of low interest rates.⁷ In contrast, Hawaii sets a rate cap of 12% per year.

Few states address in the statutes or case law whether or not the interest compounds as it accrues. This can be an important question of damages on large construction projects, or where disputes take long time periods to resolve. Rhode Island compounds the interest due on a monthly basis.⁸

IV. Other common provisions

A. Retainage

Retainage is typically withheld by owners and prime contractors to ensure proper performance of the contract and provide a fund from which to draw if the payee breaches its performance obligations. Some state statutes recognize and/or regulate this aspect of the construction payment process. Missouri, for instance provides that the state may not withhold more than 5% retainage, unless the owner and engineer determine that there is a need for a larger retainage to ensure performance, but in no case more than 10%.⁹ The Delaware statute recognizes that a prime contractor may withhold retainage from its subcontractors without incurring the prompt payment interest. Maine requires that the owner pay retainage within 30 days of final acceptance, and that the prime contractor pay subcontractors the retainage within 7 days. Massachusetts allows withholding retainage for the fair market value of claims, direct payment to subcontractors and 5% retainage, and retainage must be paid by the owner within 65 days after substantial completion. New York limits retainage to not greater than 5%, or 10% if no bond is filed.¹⁰ Pennsylvania and Vermont require the owner to pay retainage within 30 days of final acceptance. Pennsylvania additionally requires the prime contractor to pay within 14 days of payment to it from the owner], and Vermont shortens this time to 7 days.

Some statutes provide the owner with the right to withhold funds for "minor items" while releasing the remainder of the funds. Missouri allows the owner to withhold 200% of the value of items as determined by the owner until the items are completed. New York allow withholding for 200% and the amount of any liens on the funds.¹¹

⁷See, e.g., D.C. Code Ann. § 1-1172 (b)(2), which provides that the rate shall not be less than 1% per month.

⁸Rhode Island is the only Northeastern state that compounds interest. R.I. Gen. Laws § 42-11.1-6.

⁹Mo. Stat. Ann. § 34.057.

¹⁰N.Y. State Fin. Law § 139-f.

¹¹N.Y. State Fin. Law § 139-f.

B. Unsatisfactory performance

The prompt payment statutes often recognize that a payor may withhold and not be subject to penalty for work unsatisfactorily performed. This right to withhold can be quite broad in expression, such as in Connecticut, where the prime contractor can withhold payment for a "bona fide" reason.¹² Payors in Vermont and Maine may withhold "good faith claims."¹³ New York and Rhode Island take a different approach, setting forth a laundry list of reasons to withhold payment, but also providing that the owner may withhold for "reasonable cause" to believe an amount is not due¹⁴. In Pennsylvania, payors may withhold for "deficiency items" which are defined as work not complete within specifications.¹⁵ Payor abuse of these provisions can result in penalties as set forth below.

C. Notice by Payor of Disputed Amounts, or of Improper Invoice

Most statutes require that an invoice be in proper form before the payment period begins to run. This is based on the rationale that a payor should not have to pay until the payee has complied with the paperwork requirements of the contract. This provides opportunity for abuse by claims of non-compliance for insubstantial deviations. To counter this, many jurisdictions, including D.C., Maine, Maryland, New York, Pennsylvania and Vermont require notice to the payee of the defects in an invoice if payment is withheld on that basis. Similarly, many statutes require the payor to give specific notice to the payee of amounts withheld where work is in dispute.

D. Attorneys' Fees

Many states provide a claimant with attorneys' fees if the claimant is successful in collecting interest. Delaware awards interest to the prevailing party, and Pennsylvania and Vermont to the "substantially prevailing party".¹⁶ In Maine, attorneys' fees must be awarded against the prime contractor and subcontractors for unreasonably withholding acceptance of work or for failure to pay, and against any payor if claimant is a substantially prevailing party. Under Maryland law, a claimant can recover fees against the owner, prime contractor or subcontractor if that entity acted in bad faith by failing to pay undisputed amounts. New Jersey claimants under the statute may be awarded "costs".

E. Contractual Modification Or Waiver of Prompt Payment Provisions

¹²Connecticut does not apply the "bona fide" reason language to owner payments. [check].

¹³Vt. Stat. Ann. Tit. 9 § 4007.; 10 Maine Rev. Stat. Ann. § 1118.

¹⁴N.Y. State Fin. Law § 179-f; R.I. Gen. Laws § 42-11.1-5.

¹⁵73 Pa. Cons. Stat. Ann. § 511.

¹⁶Pa. Cons. Stat. Ann. § 512; Vt. Stat. Ann. Tit. 9, § 4007.

Payment provisions are often times set forth in the contract between the owner and the prime contractor, and between the prime contractor and subcontractors, and so on down the chain of contracting. States vary widely to the extent that they allow the parties to vary the payment provisions from those set out in the prompt payment statutes. Often, the issue is simply not addressed.¹⁷ Other states, such as New York and Rhode Island, expressly provide that the contract may not modify the payment terms in the statute. Other states take a middle course, prohibiting modification of certain provisions. The District of Columbia provides that the contract payment due date controls, and prohibits contract provisions providing for payee reimbursement of interest. Pennsylvania and Vermont prohibit contractual variations from the attorneys' fee provisions in the statutes. In an attempt to preserve federal funding for projects, Vermont's statute provides that the payment terms may be varied when required as a condition of federal aid.¹⁸

V. Prompt Payment Cases Involving Surety Defenses

There are few cases directly addressing a surety's liability under prompt payment statutes. One recent Missouri case, City of Independence, Missouri for the use of Wilbur D. Briggs v. Kerr Construction Paying Company, Inc., 1997 WL 453643 (Mo.App.W.D., Aug. 12, 1997) is instructive in its refusal to hold a surety liable for prompt payment interest and attorneys' fees. In Briggs v. Kerr, a sodding subcontractor on a public works project sued the prime contractor and its surety under Missouri's prompt payment statute, which provides for 1.5% per month interest on late-paid funds and allows award of attorneys' fees if the contractor fails to make timely payment without reasonable cause. The jury returned a verdict in favor of the subcontractor and against the prime contractor for breach of contract and awarded the subcontractor \$3,430.00 "damages" and \$926.00 "interest." The jury also awarded the subcontractor statutory interest of \$2,066.00 and attorneys fees of \$20,000 against the prime contractor, but not against the surety, and the jury returned a verdict in favor of the surety on the count for recovery against the bond. On post-trial motions, the trial court entered judgment against the prime contractor for the breach of contract damages and interest of \$3,430.00 and \$926.00 respectively, but denied recovery against the prime contractor on the prompt payment interest and attorneys' fees claims, holding that as a matter of law the prime contractor withheld payment in good faith and for reasonable cause.

The court of appeals found that the surety's liability for the damages and interest on the breach of contract claim was co-extensive with that of the prime contractor, and remanded the matter back to the trial court for entry of judgment coextensively with the judgment against the prime contractor. As to the prompt payment statute, the court of appeals found that the subcontractor made an adequate case for the late payment interest penalty and attorneys' fees against the prime contractor, and reinstated the judgment accordingly. The court of appeals went on to hold that the surety was not liable for the statutory penalty interest and attorneys'

¹⁷See, e.g., Conn. Gen. Stat. Ann. § 4a-71; § 49-41c; Del. Code Ann. Tit 6, § 3501 et seq.; Mass. Gen. Laws Ann. Ch. 30§ 39F; § 39k.

¹⁸Vt. Stat. Ann. Tit. 9, § 4008. Pennsylvania similarly provides that the statutes shall not operate to prevent receipt of federal aid. Pa. Cons. Stat. Ann. § 513.

fees. The appellate court looked to several factors in reaching this decision. The court distinguished another Missouri case awarding the prevailing wage statutory penalty of double the wages due plus attorneys' fees on the ground that the bonded contracts in that case expressly required the principal to pay the prevailing wage, so that the "bond covered that specific statutory requirement," and pointed out that the surety law recited in that case was "of a general nature" and that the surety did not provide any support for non-liability in that case. With regard to the prompt payment statute, the court found that the statute did not contain a requirement of a bond to insure prompt payment, that the statute does not mention bonds or sureties, and that the statute requiring a bond cannot be read to require that any other statutory section be made an automatic part of the bond. The court held that it was not persuaded that the surety should be deemed to have had the prompt payment statute in contemplation when the contract was executed, and would not hold the surety responsible for the interest penalty and attorneys' fees.

The surety should not assume that it is liable for interest under general suretyship principles that the liability of the surety is coextensive of that of the principal. As Briggs v. Kerr suggests, such a view is an oversimplification of suretyship principles.

VI. Conclusion

The surety must be aware of the prompt payment statutes of a state when a claim for interest is involved. The prompt payment statutes may provide an avenue for claimants to recover interest, penalties, and attorneys' fees against a surety if payment is not promptly made by a bond principal. The lack of case law in most states under the prompt payment statutes means that the surety must proceed with caution, and must consider the likelihood that it will be in most cases making new law on the matters in dispute.

	Jurisdiction	
	Alabama	Alaska
Payment Provisions	Ala. Code §41-16-3	Alaska Stat. §36.90.200 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	30
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services	x	
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	21
Interest rate on late-paid funds:	current state rate	10.5% per yr.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	8 working days
Interest rate on late-paid funds:	current state rate unless otherwise agreed	10.5% per yr.

	Jurisdiction	
	Arizona	Arkansas
Payment Provisions	Ariz. Rev. Stat. Ann. §34-221	Ark. Stat. Ann §22-9- 205
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	14	90
Payment due date calculated from:		
Receipt of invoice	x	x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1% per mo.	10 per yr.
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	
Interest rate on late-paid funds:	1% per mo.	

	Jurisdiction	
	California	Colorado
Payment Provisions	Cal. Public Contract Code §10261.5; 10262.5	Colo. Rev. Stat. §24-91-103 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	At end of each calendar mo. or as soon thereafter as practicable
Payment due date calculated from:		
Receipt of invoice	x	
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	10% per yr.	
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	7
Interest rate on late-paid funds:	2% per mo.	15% per yr.

	Jurisdiction	
	Connecticut	Delaware
Payment Provisions	Conn. Gen. Stat. Ann. §4a-71; 49-41c	Del. Code Ann. Tit.6 §3501 et seq.
Owner-Prime Contractor Provisions:		none
Number of days in which payment due from Owner to Prime Contractor:	45	
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	1% per mo.	
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	30	30
Interest rate on late-paid funds:	no interest information provided	at legal rate

	Jurisdiction	
	District of Columbia	
Payment Provisions	D.C. Code Ann. §1-1171 et seq.	
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	15	
Interest rate on late-paid funds:	referenced rate but not less than 1% per mo.	
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	
Interest rate on late-paid funds:	referenced rate but not less than 1% per mo.	

	Jurisdiction	
	Florida	Georgia
Payment Provisions	Fla. Stat. Ann. §218.70 et seq.; 255.071	Ga. Code Ann. §13- 11-1 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	20	15
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	30	none
Interest rate on late-paid funds:	1% per mo.	1% per mo.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	30	10
Interest rate on late-paid funds:	court remedies	1% per mo.

	Jurisdiction	
	Hawaii	Idaho
Payment Provisions	Haw. Rev. Stat. §103-10 et seq.	Idaho Code 67-2302
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	60
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services	x	
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	no more than 12% per yr. or prime +2%	2% plus rate determined by §1274(d) of the U.S. IRS Code
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	
Interest rate on late-paid funds:	no rate provided	

	Jurisdiction	
	Illinois	Indiana
Payment Provisions	30 ILCS 540/0.01 et seq.	Ind. Code Ann. §5-17-5-1 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	60	35
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		x
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1% per mo.	1% per mo.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	15	none
Interest rate on late-paid funds:	2% per mo.	1% per mo.

	Jurisdiction	
	Iowa	Kansas
Payment Provisions	Iowa Code Ann. §573.12	Kan. Stat. Ann. §75-6401 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	14	30
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		x
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	1.5% per mo.
Interest rate on late-paid funds:	rate set by executive branch	none
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	
Interest rate on late-paid funds:	pro-rate portion received by contractor	

	Jurisdiction	
	Kentucky	Louisiana
Payment Provisions	Ky. Rev. Stat. Ann. §45.453 et seq.	La. Rev. Stat. Ann. §38:2191; 9:2784
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30 working days	"prompt payment" (45 days on final acceptance)
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	1% per mo.	none
Prime-Contractor - Subcontractor Provisions:	none	
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:		14
Interest rate on late-paid funds:		.5% per day, not to exceed 15% of balance due

	Jurisdiction	
	Maine	Maryland
Payment Provisions	Me. Rev. Stat. Ann. Tit.10, §1111 et seq.	Md. State Fin. & Proc. Code Ann. §15-101 et Seq.; Md Real Prop. Code Ann. §9-301 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	20	30
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	x
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:		15
Interest rate on late-paid funds:	set to Federal T- Bill rate +7% per yr.	9% per year
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	7
Interest rate on late-paid funds:	set to Federal T-Bill rate + 7% per yr.	not specified

	Jurisdiction	
	Massachusetts	Michigan
Payment Provisions	Mass. Gen. Laws Ann. Ch. 30, §§39k; 39F	Mich. Comp. Laws Ann. §5.2949
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	45 state, 15 other government agencies	later of 30 days after certification from architect or engineer or 15 days after agency received funds
Payment due date calculated from:		
Receipt of invoice	x	
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		x
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	3% above rediscount rate set by Federal Reserve Bank of Boston	reasonable
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	65 days after completion of work	

Interest rate on late-paid funds:	none, but subcontractor may require owner to deposit funds in interest-bearing account for payment to subcontractor	
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	Jurisdiction	
	Minnesota	Mississippi
Payment Provisions	Minn. Stat. Ann. §429.041	Miss. Code Ann. §31-5-25 et Seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	60
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	x
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	set by Federal bond yield + 1%	
Prime-Contractor - Subcontractor Provisions:	none	
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:		15
Interest rate on late-paid funds:		.5% per day, not to exceed 15% of balance due

	Jurisdiction	
	Missouri	Montana
Payment Provisions	Mo. Ann. Stat. §34.057	Mont. Code Ann. §17-8-241 e seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	30
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		x
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	
Interest rate on late-paid funds:	1.5 % per mo.	.05% per day
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	15	
Interest rate on late-paid funds:	1.5% per mo.	

	Jurisdiction	
	Nebraska	Nevada
Payment Provisions	Neb. Rev. Stat. §81-2401 et seq.	Nev. Rev. Stat. Ann. §§338.160; 338.165
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	45	end of each calendar month or as soon thereafter as practicable
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:		none
Interest rate on late-paid funds:	set by executive branch	set by CD rates
Prime-Contractor - Subcontractor Provisions:	none	
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:		15
Interest rate on late-paid funds:		Prime + 2%

	Jurisdiction	
	New Hampshire (no law)	New Jersey
Payment Provisions		N.J. Stat. Ann. §§52: 32-32 et seq.; 2A:30A-1 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:		60
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		x
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:		none
Interest rate on late-paid funds:		set by executive branch
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:		10
Interest rate on late-paid funds:		prime + 1%

	Jurisdiction	
	New Mexico	New York
Payment Provisions	N.M. Stat. Ann. §13-4-28	N.Y. State Fin. Law §§179-d et seq.; 139-f
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	21	30
Payment due date calculated from:		
Receipt of invoice	x	x with exceptions
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1.5% per mo.	reference to rate set by executive branch
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	15
Interest rate on late-paid funds:	1.5% per mo.	reference to rate set by executive branch

	Jurisdiction	
	North Carolina	North Dakota
Payment Provisions	N.C. Gen. Stat. §143-134.1	N.D. Cent. Code §13-01.1-01 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	45	45
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1% per mo.	1.75% per mo.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	45
Interest rate on late-paid funds:	1% per mo.	1.75% per mo.

	Jurisdiction	
	Ohio	Oklahoma
Payment Provisions	Ohio Rev. Code Ann. §§153.14; 4113.61	Okla. Stat. Ann. tit 62, §41.4a et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	45
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	prime rate	set by executive branch
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	
Interest rate on late-paid funds:	18% per yr.	

	Jurisdiction	
	Oregon	Pennsylvania
Payment Provisions	Or. Rev. Stat §§268.435; 279.445	73 PA. Cons. Stat. Ann. §501 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	130 from receipt, or 15 from approval, whichever earlier	20
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	x
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	7
Interest rate on late-paid funds:	1.5%	1% per mo.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	14*
Interest rate on late-paid funds:	1.5% per mo.	1% per mo.

*or 15 days after receipt of subcontractor's invoice, whichever is later.

	Jurisdiction	
	Rhode Island	South Carolina
Payment Provisions	R.I. Gen. Laws §42-11.1-1 et seq.	S.C. Code Ann. §29-6-10 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30 working days	21
Payment due date calculated from:		
Receipt of invoice	x	x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	prime rate	1% per mo.
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	7
Interest rate on late-paid funds:	none specified	1% per mo.

	Jurisdiction	
	South Dakota	Tennessee
Payment Provisions	S.D. Codified Laws Ann. §5-26-1 et seq.	Tenn. Code Ann. §66-34-101 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	45	contract
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services	x	
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1.5% per mo.	contract
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	30	contract
Interest rate on late-paid funds:	1.5% per mo.	contract

	Jurisdiction	
	Texas	Utah
Payment Provisions	Tex. Gov't Code Ann. §2251.001 et seq.	Utah Code Ann. §15-6-1 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	60
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1% per mo.	2% above rate set by IRS on refund claims
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	10	30*
Interest rate on late-paid funds:	1% per mo.	15.5% per yr.

*15 day grace period

	Jurisdiction	
	Vermont	Virginia
Payment Provisions	Vt. Stat. Ann. tit.9, §4001 et seq.	Va. Code Ann. §11-62.1 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	20	30*
Payment due date calculated from:		
Receipt of invoice		
Later of receipt of invoice or receipt of goods/services		x
Later of receipt of invoice or receipt and acceptance of goods/services		
Other	x	
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	7
Interest rate on late-paid funds:	12% per yr.	prime rate
Prime-Contractor - Subcontractor Provisions:		
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7**	7
Interest rate on late-paid funds:	12% per yr.	1% per mo.

* 45 days after receipt by local government

** or 7 days after receipt of subcontractor invoice, whichever is later

	Jurisdiction	
	Washington	West Virginia
Payment Provisions	Wash. Rev. Code Ann. §39.76.010 et seq.	W. Va. §§7-5-7; 8-13-22 d
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	60
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services	x	
Later of receipt of invoice or receipt and acceptance of goods/services		
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	1% per mo.	set by executive branch
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	8 working days	
Interest rate on late-paid funds:	1% per mo.	

	Jurisdiction	
	Wisconsin	Wyoming
Payment Provisions	Wis. Stat. Ann. §16.528	Wyo. Stat. §16-6-610 et seq.
Owner-Prime Contractor Provisions:		
Number of days in which payment due from Owner to Prime Contractor:	30	45
Payment due date calculated from:		
Receipt of invoice		x
Later of receipt of invoice or receipt of goods/services		
Later of receipt of invoice or receipt and acceptance of goods/services	x	
Other		
Grace period (in days) after payment due date during which no interest due if payment made within the grace period:	none	none
Interest rate on late-paid funds:	12% per yr.	1.5% per mo.
Prime-Contractor - Subcontractor Provisions:		none
Number of days from receipt of payment in which payment due from Prime Contractor to Subcontractor:	7	
Interest rate on late-paid funds:	12% per yr.	