

CHAPTER 1012

H.B. No. 1815

AN ACT

relating to payment of vendors by the state or by certain political subdivisions.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 2(b), Chapter 82, Acts of the 69th Legislature, Regular Session, 1985 (Article 601f, Vernon's Texas Civil Statutes), is amended to read as follows:

(b) After September 1, 1987, a payment owed by a political subdivision based on a contract executed on or after September 1, 1987, is due not later than the 30th calendar day after the day on which the political subdivision received supplies, materials, or equipment, or the day on which the performance of services was completed or the day on which the political subdivision received the invoice for the supplies, materials, equipment, or services, whichever is later; *however, a payment under this subsection owed by a political subdivision whose governing body meets only once a month is due not later than the 45th calendar day after the date on which the political subdivision received supplies, materials, or equipment, or the date on which the performance of services was completed, or the date on which the political subdivision received the invoice for the supplies, materials, equipment, or services, whichever is later.*

SECTION 2. Section 7(a), Chapter 82, Acts of the 69th Legislature, Regular Session, 1985 (Article 601f, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) This Act does not apply to payments made by a governmental entity or a vendor in the event:

(1) *there is a bona fide dispute between the political subdivision and a vendor, contractor, subcontractor, or supplier concerning the supplies, materials, or equipment delivered or the services performed that causes the payment to be late [the terms of a contract specify other times and methods of payment or methods of resolving disputes or interest owed on delinquent payments]; or*

(2) there is a bona fide dispute between a vendor and a subcontractor or between a subcontractor and its supplier concerning the supplies, materials, or equipment delivered or the services performed which causes the payment to be late; or

(3) the terms of a federal contract, grant, regulation, or statute prevent the governmental entity from making a timely payment with federal funds; or

(4) the invoice is not mailed to the addressee in strict accordance with instructions, if any, on the purchase order covering said payment.

SECTION 3. This Act applies only to contracts entered into after the effective date of this Act.

SECTION 4. This Act takes effect September 1, 1993.

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 11, 1993, by a non-record vote; passed by the Senate on May 25, 1993, by a viva-voce vote.

Approved June 19, 1993.

Effective Sept. 1, 1993.