

**Assembly Bill No. 1936**

CHAPTER 151

An act to amend Section 927.1 of the Government Code, relating to state contracts.

[Approved by Governor July 21, 2000. Filed with Secretary of State July 21, 2000.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1936, Papan. State contracts: claims against the state.

Existing law requires a state agency that acquires property or services pursuant to a contract with a business to make payment to the person or business on the date required by the contract or be subject to a late payment penalty.

This bill would additionally require that payment to be made pursuant to an existing provision of law requiring payment within 45 days of a state agency receipt of an undisputed invoice, to avoid late payment penalties.

*The people of the State of California do enact as follows:*

SECTION 1. Section 927.1 of the Government Code is amended to read:

927.1. (a) A state agency that acquires property or services pursuant to a contract with a business, including any approved change order or contract amendment, shall make payment to the person or business on the date required by the contract and as required by Section 927.4 or be subject to a late payment penalty.

(b) Except in the event of an emergency as provided in Section 927.11, effective January 1, 1999, the late payment penalties specified in this chapter may not be waived, altered, or limited by a state agency acquiring property or services pursuant to a contract or by any person or business contracting with a state agency to provide property or services.

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