



Idaho Statutes

TITLE 67

STATE GOVERNMENT AND STATE AFFAIRS

CHAPTER 23

MISCELLANEOUS PROVISIONS

67-2302. PROMPT PAYMENT FOR GOODS AND SERVICES. (1) It is the policy of this state that all bills owed by the state of Idaho or any taxing district within the state shall be paid promptly. No state agency or taxing district supported in whole or in part by tax revenues shall be exempt from the provisions of this section, except as provided in subsection (20).

(2) All bills shall be accepted, certified for payment, and paid within sixty (60) calendar days of receipt of billing, unless the buyer and the vendor have agreed by a contract in place at the time the order was placed that a longer period of time is acceptable to the vendor. An invoice is a written account or itemized statement of merchandise shipped, sent or delivered to the purchaser with quantity, value or price, and charges set forth, and is a demand for payment of the charges set forth.

(3) Unless specifically provided by the terms of a contract that details payment requirements, including penalties for late payments, interest penalties shall be due automatically when bills become overdue. It shall be up to each vendor to calculate and invoice interest at the time payment is due on the principal.

(4) Partial payment shall be made on partial deliveries, if an invoice is submitted for a partial delivery, and the goods delivered are a usable unit. Each complete item or service must be paid for within forty-five (45) calendar days.

(5) All proper deliveries and completed services shall be received or accepted promptly and proper receiving and acceptance reports shall be forwarded to payment offices within five (5) working days of delivery of goods or completion of service.

(6) Payment shall be due on the date on which the agency officially receives the invoice or actually receives the goods or services, whichever is later.

(7) The rate of interest to be paid by the state or any taxing district shall be the rate provided in section 63-3045, Idaho Code.

(8) Unpaid interest penalties owed to a vendor shall compound each month.

(9) The provisions of this section shall apply to all purchases, leases, rentals, contracts for services, construction, repairs and remodeling.

(10) No discount offered by a vendor shall be taken by the state or a taxing district or by a project manager administering a state or taxing district supported project, unless full payment is made within the discount period. In the event a discount is taken later, interest shall accrue on the unpaid balance from the day the discount offer expired.

(11) Interest shall be paid from funds already appropriated or budgeted to the offending agency or taxing district or project for that fiscal year. If more than one (1) department, institution or agency has caused a late payment, each shall bear a proportionate share of the interest penalty.

(12) In instances where an invoice is filled out incorrectly, or where there is any defect or impropriety in an invoice submitted, the state agency, taxing district, or project, shall contact the vendor in writing within ten (10) days of receiving the invoice. An error on the vendor's invoice, if corrected by the vendor within five (5) working days of being contacted by the agency or taxing district, shall not result in the vendor being paid late.

(13) Checks or warrants shall be mailed or transmitted within a reasonable time after approval.

(14) No new appropriation or budget is authorized under the provisions of this section to cover interest penalties. No state agency, taxing district, or

project shall seek to increase appropriations or budgets for the purpose of obtaining funds to pay interest penalties.

(15) Payment of interest penalties may be postponed when payment on the principal is delayed because of a disagreement between the state or taxing district and the vendor. At the resolution of any dispute, vendors shall be entitled to receive interest on all proper invoices not paid for as provided in subsection (2) of this section.

(16) The provisions of this section shall in no way be construed to prohibit the state or any taxing district from making advanced payments, progress payments, or from prepaying where circumstances make such payments appropriate. All such payments shall be made promptly and are subject to interest penalties when payment is late. Where construction, repair and remodeling payments are subject to retainage, interest penalties shall accrue on retained amounts beginning thirty (30) calendar days after work is completed by the contractor(s) unless otherwise provided by contract.

(17) Each state department, institution and agency head shall be responsible for prompt payments. In all instances where an interest payment has been made by a state agency because of a late payment, the responsible state agency head shall submit to the joint senate finance-house appropriations committee of the legislature at the time of that agency's budget request hearing an explanation of why the bill is paid late and what is being done to solve the late payment problem.

(18) Whenever a vendor brings formal administrative action or judicial action to collect interest due under this section, should the vendor prevail, the state or taxing district is required to pay any reasonable attorney fees awarded.

(19) Where the date of payment to vendors is contingent on the receipt of federal funds or federal approval, the solicitation of bids for contracts and any contracts awarded shall clearly state that payment is contingent on such conditions.

(20) The provisions of this section shall not apply to claims against a county for services rendered to any medically indigent, sick or otherwise indigent person, nor to judgment obligations.

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