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LB 552

Revision: 03

Revised based on amendments adopted through 1/28/2010

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB552 would adopt the Nebraska Construction Prompt Pay Act. The act is to apply to contracts or subcontracts entered into on or after October 1, 2010. The bill applies to contractors engaged in the business of the construction, alteration, repairing, dismantling or demolition of buildings, roads, and other structures and facilities. As amended, the bill provides that when a contractor has performed work in accordance with the provisions of a contract with an owner (defined in the bill to include a person, entity, or political subdivision of the state and to specifically exclude the State of Nebraska), the owner is to pay the contractor within 30 days after receipt by the owner of a payment request made pursuant to the contract. Payment request balances unpaid at the close of this 30-day period would accrue interest at a rate of 1% per month after the 30-day period has been exceeded. Insofar the amended bill specifically excludes the State of Nebraska from its provisions, LB552 represents no fiscal impact to state agencies (reflected in updated fiscal note responses from selected state agencies on file in Legislative Fiscal Office). State agencies would continue to be subject to provisions of current law under the Prompt Payment Act (Sec. 81-2401 to 81-2408). Under these provisions, state agencies generally operate within a 45-day period within which payment is required upon receipt of goods and services or receipt of a request for payment. Political subdivisions of the state would be subject to the prompt payment provisions of LB552 (Nebraska Construction Prompt Pay Act).