



# 125th MAINE LEGISLATURE

LD 1221

LR 1623(02)

**An Act To Encourage Prompt Payments by the State When It Contracts with Outside Agencies**

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: State and Local Government**

**Fiscal Note Required: Yes**

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## Fiscal Note

Potential current biennium cost increase - General Fund  
Potential current biennium cost increase - Federal Expenditures Fund  
Minor cost increase - Highway Fund

### Fiscal Detail and Notes

Requiring all state agencies to pay a late fee of 1% per month in each instance when the affected agency does not pay its vendors timely unless the relevant vendor contract contains a different late fee structure may result in minor cost increases to all state agencies. However, this bill may have a significant fiscal impact on the Department of Health and Human Services, particularly the MaineCare program. The amount of additional funds needed to pay late fees can not be estimated at this time and will likely vary each fiscal year.