

103D CONGRESS  
1ST SESSION

# H. R. 716

To amend title 31, United States Code, to establish an interest penalty for failure to make prompt payments under service contracts with small business concerns.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 2, 1992

Mr. FRANK of Massachusetts introduced the following bill; which was referred to the Committee on Government Operations

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## A BILL

To amend title 31, United States Code, to establish an interest penalty for failure to make prompt payments under service contracts with small business concerns.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INTEREST PENALTY FOR FAILURE TO MAKE**  
4 **PROMPT PAYMENTS UNDER SERVICE CON-**  
5 **TRACTS WITH SMALL BUSINESS CONCERNS.**

6 (a) IN GENERAL.—Section 3902(a) of title 31,  
7 United States Code, is amended—

8 (1) by inserting “(1)” after “(a)”;

1           (2) in paragraph (1) (as designated by para-  
2           graph (1) of this section) by inserting “and subject  
3           to paragraph (2)” after “this title”; and

4           (3) by adding at the end the following:

5           “(2)(A) In the case of a failure to make any payment  
6           due under a service contract with a small business concern  
7           by the payment due date, the interest penalty under this  
8           subsection shall be paid without regard to whether the  
9           small business concern is obligated under the contract to  
10          provide an item of property or service after the required  
11          payment date.

12          “(B) In this paragraph—

13               “(i) the term ‘service contract’ means a con-  
14          tract—

15                       “(I) the primary purpose of which is the  
16                       provision of a service to the Federal Govern-  
17                       ment; and

18                       “(II) that does not require providing prop-  
19                       erty to the Federal Government, other than  
20                       such items as are necessary for the performance  
21                       of such service; and

22               “(ii) the term ‘small business concern’ has the  
23          meaning that term has under section 3(a) of the  
24          Small Business Act.”.

1       (b) REGULATIONS.—The Director of the Office of  
2 Management and Budget shall issue regulations imple-  
3 menting the amendment made by subsection (a) by not  
4 later than 90 days after the date of the enactment of this  
5 Act.

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