

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.

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

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);

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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