

House Bill 1506

By: Representatives Clark of the 108<sup>th</sup>, Park of the 107<sup>th</sup>, Kendrick of the 95<sup>th</sup>, and Adesanya of the 43<sup>rd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 11 of Title 13 of the Official Code of Georgia Annotated, relating to  
2 prompt payment, so as to provide for payment terms for business to business transactions;  
3 to provide for definitions; to provide for related matters; to repeal conflicting laws; and for  
4 other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Chapter 11 of Title 13 of the Official Code of Georgia Annotated, relating to prompt  
8 payment, is amended by revising Code Section 13-11-2, relating to definitions, as follows:  
9 "13-11-2.

10 As used in this chapter, the term:

11 (1) 'Business to business transaction' means a financial exchange of goods, services, or  
12 information for payment between two or more businesses.

13 ~~(1)~~(2) 'Contractor' means a person who contracts with an owner to improve real property,  
14 to perform construction services, or to perform construction management services for an  
15 owner.

16 ~~(2)~~(3) 'Improve' means to build, effect, alter, repair, or demolish any improvement upon,  
17 connected with, or on or beneath the surface of any real property or to excavate, clear,  
18 grade, fill, or landscape any real property or to construct driveways and private roadways  
19 or to furnish materials, including trees and shrubbery, for any of such purposes or to  
20 perform any labor upon such improvements.

21 ~~(3)~~(4) 'Improvement' means all or any part of any building, structure, erection, alteration,  
22 demolition, excavation, clearing, grading, filling, or landscaping, including trees and  
23 shrubbery, driveways, and roadways, on real property.

24 ~~(4)~~(5) 'Owner' means a person who has an interest in the real property improved and for  
25 whom an improvement is made and who ordered the improvement to be made. ~~'Owner'~~  
26 The term 'owner' includes private persons and entities and state, local, or municipal  
27 government agencies, instrumentalities, or entities; provided, however, that the provisions  
28 of this chapter shall not apply when the owner is a county having a population of less  
29 than 10,000 according to the United States decennial census of 1990 or any such future  
30 census or when the owner is a municipality having a population of less than 2,500  
31 according to the United States decennial census of 1990 or any such future census.

32 ~~(5)~~(6) 'Owner's representative' means the architect or engineer in charge of the project  
33 for the owner or such other contract representative or officer as designated in the contract  
34 documents as the party representing the owner's interest regarding administration and  
35 oversight of the project.

36 ~~(6)~~(7) 'Real property' means the real estate that is improved, including lands, leaseholds,  
37 tenements, and improvements placed on the real property.

38 ~~(7)~~(8) 'Receipt' means actual receipt of cash or funds in the contractor's or subcontractor's  
39 bank account.

40 ~~(8)~~(9) 'Subcontractor' means any person who has contracted to furnish labor or materials  
41 to, or has performed labor or supplied materials for, a contractor or another subcontractor  
42 in connection with a contract to improve real property. For purposes of this chapter, the

43 term 'subcontractor' shall also include materialmen as defined in Code Section  
44 44-14-360."

45 **SECTION 2.**

46 Said chapter is further amended by adding a new Code section to read as follows:

47 "13-11-4.1.

48 In any business to business transaction where a business has performed in accordance with  
49 the provisions of a contract, such business shall within 30 days of receipt be paid for any  
50 work completed or service provided under the contract."

51 **SECTION 3.**

52 All laws and parts of laws in conflict with this Act are repealed.