

# Alaska State Legislature

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## Senator John Cowdery District I

**For Immediate Release: April 26, 2001**  
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### **DOT&PF to Pay Interest on Claims**

(JUNEAU) – The Alaska Senate passed a bill today requiring the Department of Transportation and Public Facilities to pay interest on money owed to contractors following contract settlements.

“A few years ago the department made the administrative decision that they were no longer going to pay interest on money that they owed to contractors,” said Sen. John Cowdery (R-Anchorage). “Not only is this unfair, but it is poor public policy. A private firm would have to pay interest on money it owed, and the state should have to do so too.”

Senate Bill 152 would require that when a contract dispute with the department is settled in favor of the contractor, interest must be paid on the settlement for the period of time that it was in dispute. The interest would accrue at the rate applicable to judgements, from the date the claim was filed through the date of the decision.

SB 152 passed the Senate with a vote of 14 – 5, and a notice of reconsideration was filed.

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**An excerpt from Sen. Robin Taylor’s comments on the floor of the Senate in support of SB 152 are available on the Majority Actuality Line, 800-478-6540.**