

MISSISSIPPI LEGISLATURE
2012 Regular Session
To: Business and Financial Institutions
By: Senator(s) McDaniel

Senate Bill 2902

(As Sent to Governor)

AN ACT TO CREATE A RIGHT ON BEHALF OF CERTAIN SUBCONTRACTORS TO PAYMENTS MADE TO A SUBCONTRACTOR FOR MATERIALS OR EQUIPMENT FURNISHED OR LABOR PERFORMED BY THE SUBCONTRACTOR; TO CREATE THE MISDEMEANOR OF NEGOTIATING A DRAFT FOR A PAYMENT OWED TO A SUBCONTRACTOR WITHOUT AUTHORIZATION AND TO CREATE PENALTIES THEREFOR; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. (1) A contractor who undertakes to negotiate a draft made payable to the contractor and any other party must first obtain an endorsement or other written signed authorization of every co-payee on the draft if the draft is tendered in payment for materials or equipment furnished or labor performed by the owner, laborer, supplier or equipment dealer.

(2) A contractor who negotiates a draft without first obtaining an endorsement or other written signed authorization required under this section is guilty of a misdemeanor and shall be subject to a fine not to exceed Five Hundred Dollars (\$500.00) per violation, and shall also be ordered by the court to make full restitution to the owner, laborer, supplier or equipment dealer who is entitled to payment from the proceeds of the draft, as well as reasonable attorney's fees incurred by any party to whom restitution is ordered.

SECTION 2. This act shall take effect and be in force from and after July 1, 2012.