



OFFICE OF THE GOVERNOR

October 1, 2013

To the Members of the California State Senate:

I am returning Senate Bill 399 without my signature.

It is the policy of the state to provide for the timely payment of every state contract – whether the work is completed on a standard or emergency basis. For the rare occasion when timely payment does not occur, current law provides specific safeguards.

Recognizing the distinct struggles faced by small businesses and nonprofit organizations, increased safeguards are provided for these entities, including a higher late payment penalty. Extending the higher penalty rate to all contracts in a narrowly defined category – regardless of the size of the contractor – would be inconsistent with the state's policy of reserving this additional protection for those that need it most.

Sincerely

A handwritten signature in black ink that reads "Edmund G. Brown Jr." with a large, stylized flourish extending downwards from the end of the name.

Edmund G. Brown Jr.