

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 235** SLS 26RS 496

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 1, 2026	3:41 PM	<b>Author:</b> WOMACK
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> Kimberly Fruge
<b>Subject:</b> Payments under contract		

PUBLIC CONTRACTS

OR NO IMPACT See Note

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Provides relative to payments under contract by public entities. (gov sig)

Current law provides that any public entity failing to make any progressive stage payment within 45 days following receipt of a certified request for payment, without reasonable cause, shall be liable for reasonable attorney fees and interest charged at 0.5% accumulated daily, not to exceed 15%. Propose law provides that a public entity shall not withhold liquidated damages contested by the contractor, provided that payment to the contractor shall not prejudice the ability of a public entity to assert a claim for liquidated damages against the contractor.

Current law subjects a public entity to mandamus proceedings to compel the payment due under contract up to the amount of the appropriation made for the award and execution of the contracting, including authorized change orders. Proposed law adds attorney fees and interest. Proposed law also clarifies that the public entity's claim for liquidated damages is not subject to the mandamus proceedings.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law provides that a public entity cannot withhold contested liquidated damages, provided that payment to the contractor shall not prejudice the ability of the public entity to assert a claim for liquidated damages, and clarifies what payments are subject to mandamus proceedings.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Patrice Thomas**  
**Deputy Fiscal Officer**