

RÉSUMÉ DIGEST

ACT 255 (SB 235)

2026 Regular Session

Womack

Existing law (R.S. 38:2191) requires public entities to promptly pay all obligations arising under a public contract, including change orders, when the obligations are due and payable. Requires that if the public entity failed to make any progressive stage payment, without reasonable cause, within 45 days after receipt of a certified request for payment, the entity is liable for reasonable attorney fees and interest charged at 0.5% accumulated daily, not to exceed 15%.

New law retains existing law.

Existing law requires that if the public entity fails to make final payment after formal final acceptance and within 45 days after receipt of a clear lien certificate, the entity is liable for reasonable attorney fees and interest charged at 0.5% accumulated daily, not to exceed 15%.

New law retains existing law.

New law prohibits public entities from withholding liquidated damages contested by the contractor from any payments or monies otherwise due, provided that payment to the contractor does not prejudice a public entity's ability to assert a claim for liquidated damages against the contractor in an ordinary proceeding.

New law provides that the prevailing party is entitled to recover reasonable attorney fees in connection with a public entity's claim for liquidated damages in an ordinary proceeding.

New law provides that a public entity is entitled to interest on liquidated damages recovered charged at 0.5 % accumulated daily, not to exceed 15%, accruing from the date of payment by the public entity of contested liquidated damages.

Prior law subjected public entities to mandamus for failing to make progressive stage payments arbitrarily or without reasonable cause, or any final payment when due. Prior law provided that the mandamus compel the payment of amounts due under contract up to the appropriation made for the award and execution of the contract or change orders.

New law adds that the mandamus compel the payment of attorney fees and accumulated interest to the contractor.

New law provides that if a public entity prevails in a mandamus proceeding, the contractor is liable for reasonable attorney fees.

New law provides that any claim by a public entity to recover liquidated damages shall not be subject to the mandamus proceeding.

Effective May 15, 2026.

(Amends R.S. 38:2191(C) - (E); Adds R.S. 38:2191(F))