



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 474** SLS 22RS 1400
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 16, 2022	2:24 PM	Author: WOMACK
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Change Orders on Public Works Contracts		

PUBLIC WORKS EG NO IMPACT See Note Page 1 of 1
 Provides relative to change orders on public works contracts. (8/1/22)

Proposed law changes present law from **60** days to **45** days when a public entity shall pay a contractor for work performed by change orders after the date the public entity approves the application for payment for completion of the work performed in the change order. Proposed law provides that a change order shall be executed within 45 days from the discovery of the work to be covered by the change order, unless a redesign of the work is required. If the change order requires redesign, the redesign shall not take more than 30 days following discovery. The contractor shall submit, within 10 days of the discovery of the work, a proposal for the estimated cost of the change order upon completion of the redesign. If no redesign is required, then the contractor shall submit within 10 days of discovery of the work, a proposal for the estimated cost of the change order. Proposed law provides that once the contractor has submitted the costs estimate, the public entity shall have 15 days to negotiate and approve or reject the contractor's proposed costs of work covered by the change order. Extensions of time maybe granted upon mutual written agreement or as necessary for the public entity to obtain governmental approval. Proposed law provides that the contractor shall not be required to provide any schedule updates incorporating a change order until the change order is executed.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law changes present law from **60** days to **45** days when a public entity shall pay a contractor for work performed by change orders after the date the public entity approves the application for payment for completion of the work performed in the change order.

REVENUE EXPLANATION

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

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer