
DIGEST

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HB 877 Original

2024 Regular Session

McFarland

Abstract: Authorizes political subdivisions to increase project cost for disadvantaged businesses.

Present law authorizes every political subdivision in the state, as defined in present law through its respective fiscal officer or director of finance, is authorized and empowered for each fiscal year to designate and set aside for awarding to minority businesses, an amount up to 10% of the value of anticipated local procurement of goods and services including construction. Specifies that the governing authority of the political subdivision may choose to set aside a greater amount, and nothing will be construed to prohibit such set-aside levels above 10%.

Proposed law clarifies that a political subdivision may set aside an amount greater than 10% if that amount is supported by data available pursuant to proposed law (R.S. 48:234(E)).

Present law specifies that such parishes and municipalities may for each fiscal year designate and set aside for awarding to minority businesses an amount up to 10% of the value of anticipated total procurement of goods and services including construction by the said entity.

Present law requires the procurements designated be divided into contract award units of economically feasible production runs in order to facilitate offers or bids from minority businesses. Specifies that in making the annual designation of set-aside procurements, an attempt will be made to vary the included procurements so that a variety of goods and services produced by different minority businesses may be set aside each year. Additionally, specifies that the failure to set aside particular procurements cannot be considered to prohibit or discourage minority businesses from seeking the procurement award through the normal solicitation and bidding processes.

Proposed law modifies present law by changing "such parishes and municipalities" to political subdivisions and retains present law.

Present law defines "political subdivision" as any political subdivision situated wholly or partially within the geographic boundaries of Calcasieu Parish or St. John the Baptist Parish; or the Chennault International Airport Authority; the New Orleans Exhibition Hall Authority; the Board of Commissioners of the Port of New Orleans; the city of Shreveport and any board, agency, or commission of that city; the parish of St. John the Baptist, and any board, agency, or commission thereof; the city of Monroe and any board, agency, or commission of that city; and any board, agency, or commission of or for the city of New Orleans or parish of Orleans which has been created by the constitution or laws of this state, which is not under the authority or control of the state of La. for the purposes of letting and awarding contracts, and which is subject present law, or any other

state law relative to competitive bidding.

Proposed law modifies the definition of "political subdivision" to mean a parish, municipality, and any other unit of local government, including a school board and a special district, authorized by law to perform governmental functions.

Proposed law requires the secretary to study and publish a directory of disadvantaged business enterprises annually, the contents of which is to serve as the exclusive basis under which the secretary and any political subdivision of the state may elect to establish set aside percentages in excess of 10%.

(Amends R.S. 38:2233.2(A), (B)(1), and (E)(3); Adds R.S. 48:234(E))