

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 773** HLS 26RS 22

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 22, 2026	5:17 PM	Author: MELERINE
Dept./Agy.: Procurement		Analyst: Julie Silva
Subject: Prioritization of prison and nonprofit procurement sources		

PROCUREMENT

OR NO IMPACT See Note

Page 1 of 1

Establishes priorities and requirements for purchases by the state and participating local governments from certain providers including prison enterprises and nonprofits assisting persons with disabilities.

Proposed legislation establishes a preference in state procurement for supplies and services from prison enterprises and certain nonprofits, including nonprofits for the blind, nonprofits for other severely disabled persons, and nonprofits or nonprofit workshops for veterans; creates a centralized list of preferred providers maintained by the Office of State Procurement (OSP); and sets pricing guidelines including a 15% cap above fair market value when no cooperative contract exists, and allows noncompetitive purchases from listed providers.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
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	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
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 legislation requires the Office of State Procurement (OSP) to maintain and make publicly available a centralized list of supplies and services eligible for preferred source procurement, based on input from the Department of Public Safety and Corrections (DPS&C), the Louisiana Department of Health (LDH), and Louisiana Works (LA Works). The bill further establishes pricing requirements for such procurements, providing that prices shall not exceed the lowest available price under an existing cooperative purchasing contract, or, if no such contract exists, shall not exceed 15% above fair market value (FMV) as determined by OSP. The agency reports that it does not currently perform FMV determinations, as pricing is generally established through competitive bids and proposal evaluations; however, such determinations are anticipated to be limited in scope. OSP indicates that any additional duties required to implement the provisions of the proposed legislation can be absorbed using existing staff and resources. Therefore, no additional state expenditures are anticipated.

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