

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1233** HLS 26RS 1588

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **HB 839**

Date: April 12, 2026	4:25 PM	Author: COATES
Dept./Agy.: Hospital Service Districts		Analyst: Anthony Shamis
Subject: Contract limit for hospital service districts		

PUBLIC CONTRACT/BIDS

EG NO IMPACT See Note

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Provides relative to a contract limit for hospital service districts

Present law prohibits Construction Management at Risk (CMAR) from being used for projects under two million dollars for hospital service districts.

Proposed law modifies present law by changing the minimum threshold to use CMAR funds from two million dollars to one million dollars for hospital service districts.

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 law lowers the CMAR threshold for hospital service districts from \$2 million to \$1 million, with no expected expenditure impact to the Office of Facility Planning and Control.

The CMAR method offers potential advantages compared to traditional procurement methods including expedited timing, contractor qualifications playing a more prominent role, cost transparency, and risk shifted from the owner to the contractor.

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}

Alan M. Boxberger

Alan M. Boxberger
Legislative Fiscal Officer