
DIGEST

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Hebert

HB No. 105

Abstract: Limits (15%) the amount of a public contract for disaster recovery work that a contractor may retain if he subcontracts for the work and if the funding for the contract is paid by an agency of the federal government.

Proposed law prohibits a contractor from retaining more than 15% of the contract price for disaster recovery work if he subcontracts for the work; requires that at least 85% of the contract price of subcontracted work be paid to the subcontractor. Proposed law applies to any contract let by a public entity for which:

- (1) The contract is subject to present law relative to advertising and letting contracts for work.
- (2) The contract is for disaster recovery work resulting from a gubernatorially declared disaster or emergency.
- (3) Funding for the work is provided to the state or political subdivision by the federal government or an agency thereof.

Proposed law requires that contracts subject to proposed law include a provision in the contract requiring the contractor to comply with proposed law if he contracts with another entity for some or all of the work. Requires that the contract specify a value for any portion of the work for which subcontracting is authorized in order that the limitations can be calculated and enforced.

(Adds R.S. 38:2212.7)