

First Extraordinary Session, 2005

HOUSE BILL NO. 31

BY REPRESENTATIVE HEBERT

CONSUMERS/PROTECTION: Provides for restrictions on contracts awarded for disaster recovery work (Item #32)

1 AN ACT

2 To enact R.S. 51:1425, relative to contracts awarded for disaster recovery work; to limit a
3 portion of the amount of a contract that may be retained by the contractor if disaster
4 recovery work under the contract is subcontracted to another person; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 51:1425 is hereby enacted to read as follows:

8 §1425. Unfair or deceptive acts or practices; contracts for disaster recovery work

9 A. A contractor awarded a contract of greater than twenty-five million
10 dollars for disaster recovery work which is not bid competitively by sealed bid and
11 which is funded to the state or a political subdivision by the federal government or
12 a federal agency shall not retain more than fifteen percent of the contract amount if
13 work for the contract is subcontracted to another person.

14 B. Any violation of this Section shall be an unfair or deceptive act or practice
15 declared unlawful by R.S. 51:1405 and may subject the violator to any and all
16 penalties provided for in this Chapter.

17 C. The provisions of this Section shall not apply to contracts awarded by the
18 governing authority of a parish or a municipality directly to a private contractor.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Hebert

HB No. 31

Abstract: Prohibits a contractor awarded a contract for disaster recovery work from retaining more than 15% of the contract amount if work under the contract is subcontracted to another person.

Proposed law prohibits a contractor who has been awarded a contract for more than \$25 million from retaining more than 15% of a disaster recovery work contract which is not competitively bid by sealed bid, if work for the contract is subcontracted and the contract is funded with federal funds.

Proposed law defines this prohibited activity as an unlawful, unfair, or deceptive act or practice.

Proposed law excludes private contractors who were awarded contracts directly from the governing authority of a parish or municipality.

(Adds R.S. 51:1425)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Provides that proposed law only applies to contracts of greater than \$25 million.
2. Provides that proposed law only applies if the contract was not competitively bid.
3. Excludes certain private contractors.