

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 314** HLS 15RS 534

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 29, 2015	5:56 PM	Author: PIERRE
Dept./Agy.:		Analyst: Travis McIlwain
Subject: Public Contracts		

PUBLIC CONTRACTS OR SEE FISC NOTE LF EX Page 1 of 1
Relative to the compensation of a contractor for services performed pursuant to a contractual agreement with an agency

Proposed bill requires any contract entered into by a political subdivision contemplate the variation in the actual size of the project of not more than 15% above or below the estimated size of the project specified within the contract or FEMA Project Worksheet. Proposed law allows either party to demand an equitable adjustment in a contract price. Proposed bill provides that the equitable adjustment is based upon any increase or decrease in costs due solely to the variation above or below 15% of the estimated, contracted size the project. Proposed bill requires that contractors performing services for services

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

This bill may result in an indeterminable increase in the cost of a project as this bill allows a contractor, with request from either the governmental entity or the contractor, to amend an existing contract by up to 15% greater than the initial cost estimate. In addition, this bill could indirectly impact the public bidding process and price proposals submitted.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


John D. Carpenter
Legislative Fiscal Officer