



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 111** SLS 21RS 302  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 4, 2021	11:13 AM	<b>Author:</b> WOMACK
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> Monique Appeaning
<b>Subject:</b> Public Contracts (bids, claims, and payments)		

PUBLIC WORKS RE SEE FISC NOTE GF EX See Note Page 1 of 1  
 Provides for bids, claims, and payments involving public contracts. (8/1/21)

Present law provides that all public entities shall promptly pay all obligations arising under public contracts when the obligations become due and payable under the contract. Proposed law adds "including approved change orders." Proposed law adds to present law, "Any timely change by a bidder to the bid prior to submission of the bid shall be scratched through and initialed by the bidder or the person who submits the bid. The change as initialed shall be binding." Proposed law adds to present law, "For the purpose of bids submitted electronically, the last timely bid submission by each and any bidder shall be binding." Proposed law adds to present law, "Change orders shall be processed and issued by the public entity no later than forty days following final execution of the change order." Proposed law provides specific changes to acceptance of governing authority. Proposed law provides that a public entity shall not take, use or occupy the public work or use or occupy the specified area of the public work for which it was intended until the substantial completion has been filed pursuant to this Section, unless an approved agreement of partial occupancy is executed between the public entity, the design professional of record, and the contractor. Proposed law provides that the public entity's failure to comply with the provisions of this Section shall be subject to a writ of mandamus.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will not create an expenditure impact to the Office of Facilities Planning and Control (FP&C). FP&C reports the person submitting the bid is now authorized to make changes to their bid and initial, which results in no change to cost. Change orders will have to be processed and issued within 40 days of execution which result in no change to costs. Partial occupancy of a project allows the public entity to use portions of a project if agreed to in writing by all parties which results in no change to costs. These changes do not alter the contractor's cost to construct the project. The Legislative Fiscal Office assumes a similar impact at the local level.

**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}

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