

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 794** HLS 24RS 1223

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 16, 2024	8:51 AM	<b>Author:</b> GADBERRY
<b>Dept./Agy.:</b> Statewide		<b>Analyst:</b> Chris Henry
<b>Subject:</b> Architectural and Engineering Professional Services		

PUBLIC CONTRACTS RE SEE FISC NOTE EX See Note Page 1 of 1

Requires a political subdivision or agency negotiate a fair and reasonable contract with the most highly qualified firm for architectural and engineering professional services

Current law provides for the state, its political subdivisions, and agencies to select architectural and engineering professional services on the basis of competence and qualifications for a fair and reasonable price. Proposed legislation would require a political subdivision or agency to negotiate for a compensation rate determined by the agency head to be fair and reasonable with the most highly qualified firm selected. If the political subdivision or agency is unable to reach an agreement with that firm, they shall formally terminate negotiations and begin to negotiate with the next highest qualified firm. This process is repeated until a satisfactory contract is negotiated.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW					
Ded./Other	SEE BELOW					
Federal Funds	SEE BELOW					
Local Funds	SEE BELOW					

**Annual Total**

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
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	\$0	\$0	\$0	\$0	\$0	<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**

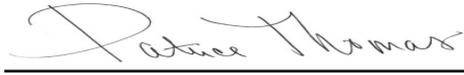
There is the potential for unknown savings to the state, its political subdivisions, and agencies across various means of finance as a result of the proposed measure. To the extent the contract chosen by the selection board is not able to be satisfactorily negotiated on the basis of price and the provisions of the proposed law are utilized, it would be possible for state agencies and political subdivisions to realize savings should the subsequent negotiation(s) yield a less costly contract. Conversely, the time and effort required to commence a project by state agencies and political subdivisions could be impacted to the extent that the selection process and the subsequent negotiation process substantially prolongs the time for a project to begin.

**REVENUE EXPLANATION**

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

Senate  
 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}

  
**Patrice Thomas**  
**Deputy Fiscal Officer**