

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 333** HLS 14RS 901
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 10, 2014 11:21 AM	Author: MONTOUCET
Dept./Agy.: Division of Administration (DOA)	Analyst: Travis McIlwain
Subject: Preference for extruded woven polypropylene products	

PROCUREMENT OR INCREASE GF EX See Note Page 1 of 1
 Provides preferences for extruded woven polypropylene products woven in Louisiana

Proposed bill provides that every person acting as a procurement officer, purchasing agent or similar official shall purchase extruded woven polypropylene products woven in the state which are equal in quality to extruded woven polypropylene products woven in this state does not exceed by more than 10% of the cost of extruded woven polypropylene products woven outside the state. This proposed bill provides for these provisions to impact Title 38 (overall public bid law) and Title 39 (State Procurement Code).

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed legislation will result in an indeterminable increase in overall state and local expenditures because this bill requires state purchasing agents to give preference to and purchase extruded woven polypropylene products woven in the state. Reducing the overall vendor pool limits the state and local governmental entities' ability to insure that it is getting the lowest available price on these goods. This bill does provide a limitation that the materials woven in the state cannot exceed the cost of those woven outside the state by 10%. However, this limitation ensures that the state and local governmental entities will be paying a maximum 10% more for items made in-state than those made out-of-state.

Current law (R.S. 39:1595(H) & R.S. 38:2251(H)), contains a 10% preference (cost of item does not exceed cost of other bidders by 10%) for products produced in Louisiana and provides that the preference is not mandatory and in claiming the preference the bidder of the state made product must agree to lower its bid to that of the otherwise out-of-state lowest bidder. This bill has the 10% preference, but does not require that the Louisiana bidder lower its bid to the out-of-state low bid.

For purposes of simplicity, the potential impact of this legislation is reflected above as SGF but may ultimately impact other means of finance.

REVENUE EXPLANATION

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

- Senate Dual Referral Rules House 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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