

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 316** SLS 14RS 554

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 2, 2014	3:01 PM	Author: DONAHUE
Dept./Agy.:		Analyst: Travis McIlwain
Subject: Public Contracts		

PUBLIC CONTRACTS

EN SEE FISC NOTE LF EX See Note

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Provides relative to payments under public contracts.(8/1/14)

Current law requires all public entities to promptly pay all obligation arising under public contracts. Requires public entities to pay progressive stage payments and final payments when they become due and payable under the contract. Current law provides that any public entity failing to make any final payments after formal final acceptance and within 45 days following receipt of a clear lien certificate by the public entity is liable for reasonable attorney fees. Proposed law retains present law and adds liability for reasonable attorney fees when a public entity fails to pay any progressive stage payment within 45 days following receipt of a certified request for payment by the public entity without reasonable cause. Proposed law provides that a public entity is subject to mandamus to compel payment of authorized plan changes. Effective August 1, 2014.

EXPENDITURES	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

To the extent a public entity fails to pay any progressive stage payments without reasonable cause within the 45 day timeframe to a private contractor and this results in incurred attorneys fees by the private contractor, this legislation may result in an indeterminable increase in local expenditures as this bill provides for the public entity to pay the attorneys fees incurred by that private contractor.

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 State Rev. Reduc. {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} |

Evan Brasseaux

Evan Brasseaux
Staff Director