

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 474** SLS 22RS 1400

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2022	6:54 PM	Author: WOMACK
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Change Orders on Public Works Contracts		

PUBLIC WORKS

OR SEE FISC NOTE GF EX

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Provides relative to change orders on public works contracts. (8/1/22)

Proposed law changes present law from **60** days to **30** days when a public entity shall pay a contractor for work performed by change orders after the date the public entity approves the application for payment for completion of the work performed in the change order. Proposed law provides that change orders shall be executed within 30 days of the discovery of the work covered by the change order. Payment for the work performed by change order, including any progressive stage payment, shall be made no later than 30 days from the completion of that work. Proposed law provides if for any reason the execution of the agreed-upon change order or any payment of the work performed is delayed, the public owner shall pay the contractor daily general conditions as covered in the contract which shall be distributed on a pro rata share with any subcontractors or material suppliers involved in the work. Proposed law provides a remedy when a public entity fails to act in accordance with proposed law. Proposed law shall not be subject to waiver by contract.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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

Proposed law may result in an indeterminable increase in expenditures for public entities who fail to act in accordance to proposed law and are subject to mandamus to compel such action and are liable for reasonable attorney fees and interest charged at 1/2 percent accumulated daily, not to exceed 15 percent, of the amount of the change order.

REVENUE EXPLANATION

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

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer