
DIGEST

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HB 490 Original

2026 Regular Session

Kerner

Abstract: Establishes conditions under which public entities may be exempt from payment under contract requirements and from penalties for failing to make certain payments, set forth in public contracts law.

Present law relative to public contracts, works, and improvements defines "public entity" as the state, any instrumentality or political subdivision of the state, and any public housing authority, public school board, or any public officer. Defines "public contract" as any contract awarded by a public entity for the making of any public works or for the purchase of any materials or supplies. Defines "public work" as the erection, construction, alteration, improvement, or repair of any public facility or immovable property owned, used, or leased by a public entity.

Present law requires public entities to promptly pay all obligations arising pursuant to public contracts when the obligations become due and payable under the contract. Requires that all progressive stage payments and final payments be paid when they become due and payable under the contract. Establishes penalties for failure of a public entity to make payments as required by present law.

Proposed law provides that if a public entity, pursuant to a public contract, is the recipient of all or a portion of the funding for a public works contract from another public entity or the government of the United States, the recipient public entity shall not be subject to the payment-related conditions and penalties established in present law unless and until it receives funds from the paying public entity in an amount necessary to pay its obligations to a contractor. Provides for notification requirements in cases in which payments to contractors are delayed for the reasons provided in proposed law.

Proposed law authorizes interruptions in the payment-related time limits and requirements provided in present law during gubernatorially or presidentially declared emergencies.

Present law stipulates that its provisions shall not be subject to waiver by contract. Proposed law retains present law and authorizes the time limits and requirements provided in present law to be extended by written agreement of the public entity and the contractor.

(Amends R.S. 38:2191(B)-(E); Adds R.S. 38:2191(F))