

2026 Regular Session

HOUSE BILL NO. 764

BY REPRESENTATIVE JORDAN

PUBLIC CONTRACTS: Establishes the La. State Contract Minority Business Opportunity Act to increase minority-owned and disadvantaged business participation in state contracting

1 AN ACT

2 To enact Chapter 27 of Subtitle III of Title 39 of the Louisiana Revised Statutes of 1950, to

3 be comprised of R.S. 39:2211 through 2217, relative to state procurement; to provide

4 for increased utilization of certain vendors in state procurement; to provide for the

5 duties of the division of administration, state agencies, and certain contractors; to

6 provide for sanctions for the division of administration, state agencies, and certain

7 contractors; to provide legislative findings; to provide for definitions; and to provide

8 for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. The legislature finds that a significant statistical disparity exists between

11 the availability of minority-owned and disadvantaged business enterprises in Louisiana and

12 their utilization in state contracts. The current passive equal opportunity posture of state

13 procurement has failed to correct this disparity, which persists as a direct result of historical

14 and ongoing discrimination in contracting, bonding, financing, and access to information.

15 The state has a compelling interest in remedying discrimination in its own contracting

16 marketplace and in ensuring that public dollars benefit the full diversity of Louisiana's

17 citizenry. It is the intent of the legislature to establish aspirational but enforceable

18 participation goals for minority-owned and disadvantaged business enterprises in state

19 contracting; require the state to conduct a disparity study every five years to update goals

1 based on current market data; create accountability mechanisms and annual reporting
2 requirements; and provide technical assistance to assist minority-owned and disadvantaged
3 business enterprises in qualifying for and performing on state contracts.

4 Section 2. Chapter 27 of Subtitle III of Title 39 of the Louisiana Revised Statutes of
5 1950, comprised of R.S. 39:2211 through 2217, is hereby enacted to read as follows:

6 CHAPTER 27. LOUISIANA STATE CONTRACT MINORITY BUSINESS

7 OPPORTUNITY ACT

8 §2211. Definitions

9 As used in this Chapter, the following terms shall have the following
10 meanings unless the context clearly indicates otherwise:

11 (1) "Certified MBE/DBE" means a business enterprise that holds a current
12 certification as a minority business enterprise (MBE) or disadvantaged business
13 enterprise (DBE) from any of the following:

14 (a) The Department of Transportation and Development.

15 (b) The United States Small Business Administration 8(a) or HUBZone
16 program.

17 (c) A certification program approved by the division of administration.

18 (2) "Contract" means any agreement for the procurement of goods, services,
19 construction, professional services, or information technology by any state agency,
20 department, board, commission, or authority, regardless of the source of funding.

21 (3) "Division" means the division of administration.

22 (4) "MBE/DBE participation goal" means the percentage of the total dollar
23 value of a contract or of total state procurement in a fiscal year that is targeted for
24 performance by certified MBE/DBEs.

25 (5) "Prime contractor" means the entity holding the primary contractual
26 relationship with the state.

27 (6) "Subcontractor" means any entity performing a portion of a contract
28 under agreement with the prime contractor.

29 §2212. Statewide MBE/DBE participation goals

1 A. The legislature hereby establishes the following certified MBE/DBE
2 participation goals:

3 (1) Overall statewide goals: A minimum of thirty percent of the total annual
4 dollar value of state contracts shall be awarded to or performed by certified
5 MBE/DBEs by Fiscal Year 2031-2032.

6 (2) Construction contracts: A minimum of twenty-five percent of the dollar
7 value of each construction contract with a total value exceeding fifty thousand
8 dollars.

9 (3) Professional services contracts: A minimum of thirty percent of the dollar
10 value of each professional services contract with a total value exceeding twenty-five
11 thousand dollars.

12 (4) Goods and supplies procurement: A minimum of twenty percent of the
13 total annual procurement spend on goods and supplies.

14 B. Interim goals shall be established as follows:

15 (1) For Fiscal Year 2028-2029: Fifteen percent.

16 (2) For Fiscal Year 2029-2030: Twenty percent.

17 (3) For Fiscal Year 2030-2031: Twenty-five percent.

18 (4) For Fiscal Year 2031-2032 and every fiscal year thereafter: Thirty
19 percent.

20 C. Goals shall be applied both to direct awards to certified MBE/DBE prime
21 contractors and to subcontractor participation on contracts awarded to prime
22 contractors that are not certified MBE/DBEs.

23 §2213. Agency obligations and compliance requirements

24 A. Each state agency shall do all of the following:

25 (1) Designate an MBE/DBE compliance officer responsible for implementing
26 this Chapter.

27 (2) Maintain a database of certified MBE/DBEs in its procurement sector.

28 (3) Conduct outreach to certified MBE/DBEs no less than sixty days prior to
29 soliciting bids for contracts anticipated to exceed fifty thousand dollars.

1 (4) Require prime contractors to submit certified MBE/DBE utilization plans
2 as part of their bid or proposal submissions.

3 (5) Include certified MBE/DBE utilization as a weighted evaluation criterion
4 in scored procurements.

5 (6) Report quarterly to the division on certified MBE/DBE participation rates.

6 B. Prime contractors shall be subject to all of the following requirements:

7 (1) Make good faith efforts to meet applicable certified MBE/DBE
8 participation goals.

9 (2) Negotiate in good faith with certified MBE/DBEs when quotes from these
10 entities are received.

11 (3) Not terminate a certified MBE/DBE subcontractor without prior written
12 approval from the contracting agency.

13 (4) Submit monthly utilization reports to the contracting agency detailing
14 payments made to certified MBE/DBE subcontractors.

15 §2214. Sanctions for noncompliance

16 A. An agency that fails to meet applicable participation goals for two
17 consecutive fiscal years, absent a documented showing of good faith effort and
18 market availability, shall be subject to all of the following requirements and
19 conditions:

20 (1) A written corrective action plan to be submitted to the division within
21 sixty days.

22 (2) Mandatory certified MBE/DBE compliance training for all procurement
23 personnel.

24 (3) Enhanced division oversight of procurement activities.

25 B. A prime contractor that fails to meet its committed certified MBE/DBE
26 utilization plan without documented good faith efforts and state approval shall be
27 subject to all of the following requirements and conditions:

28 (1) Withholding of final contract payment in an amount equal to the certified
29 MBE/DBE participation shortfall.

1 (2) Disqualification from state contracting for a period of one to three years,
2 in the discretion of the division.

3 (3) Referral to the attorney general for civil enforcement action.

4 §2215. Disparity study; goal adjustment

5 A. The division shall commission an independent disparity study no later than
6 July 1, 2027, and every five years thereafter to examine all of the following:

7 (1) The availability and utilization of certified MBE/DBEs in each major
8 procurement category.

9 (2) Barriers to certified MBE/DBE participation including bonding,
10 financing, and information access.

11 (3) Statistical disparity indices for each certified group and procurement
12 category.

13 (4) Comparisons with peer states and best practices.

14 B. Following each disparity study, the division shall recommend to the
15 legislature revised participation goals based on the study findings.

16 §2216. Annual reporting

17 The division shall publish an annual certified MBE/DBE participation report
18 by January first of each year, to be submitted to the legislature and publicly posted
19 on its website, detailing each state agency's contract awards by dollar value, the
20 percentage and dollar amount awarded to or performed by certified MBE/DBEs,
21 corrective actions taken, and progress toward statewide goals.

22 §2217. Promulgation of rules

23 The commissioner of administration shall promulgate in accordance with the
24 Administrative Procedure Act all such rules as are necessary for implementation and
25 administration of the provisions of this Chapter.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 764 Original

2026 Regular Session

Jordan

Abstract: Establishes the La. State Contract Minority Business Opportunity Act for the purpose of increasing participation by minority-owned and disadvantaged businesses in state contracting and provides for duties of the division of administration with respect to contracting.

Proposed law establishes the La. State Contract Minority Business Opportunity Act to encourage minority-owned and disadvantaged business enterprise (MBE/DBE) participation in state contracts. Provides for the definition of terms. Establishes participation goals for the percentage of contracts awarded to certified MBE/DBEs.

Proposed law requires state agencies to designate a compliance officer responsible for the implementation of this program. Requires state agencies to maintain a database of certified MBE/DBEs and to conduct outreach to those same businesses to solicit bids for contracts anticipated to exceed \$50,000. Further requires state agencies to require prime contractors to submit certified MBE/DBE utilization plans as part of the bid and to use this utilization as a weighted evaluation criterion. Requires state agencies to report on participation rates.

Proposed law requires prime contractors to make good faith efforts to meet participation goals and to negotiate in good faith when certified MBE/DBE quotes are received. Requires prime contractors to receive written approval from the contracting state agency prior to termination of a certified MBE/DBE. Also requires submission of monthly utilization reports to the contracting agency.

Proposed law provides for sanctions on state agencies for noncompliance after two consecutive fiscal years. Also provides for sanctions on prime contractors that fail to meet their certified MBE/DBE utilization plans.

Proposed law requires the division of administration to commission an independent disparity study no later than July 1, 2027, and every five years thereafter. Requires the division to make recommendations to the legislature based on the study findings. Further requires annual reporting to the legislature by the division.

(Adds R.S. 39:2211-2217)