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## DIGEST

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HB 839 Original

2026 Regular Session

Coates

**Abstract:** Reduces the Construction Management at Risk threshold for hospital service districts. Authorizes a hospital service district to perform public work estimated to cost one million dollars or less using its own employees without public bid.

Present law requires that the term “contract limit” for public works projects be \$250,000 per project, including labor, materials, and equipment at rates in the latest edition of the Associated Equipment Dealers Rental Rate Book, with administrative overhead not to exceed 15%. Requires the Office of Facility Planning and Control within the division of administration to adjust the contract limit annually on Feb. 1, by no more than the prior year’s percentage increase in the Consumer Price Index, and to publish the new limit in the La. Register in Jan. of each year.

Proposed law retains present law.

Proposed law authorizes a hospital service district to perform projects costing \$1,000,000 or less using its own employees without public bid. Prohibits artificially dividing or subdividing projects to avoid the advertisement requirements.

Proposed law clarifies that “using its own employees” means work performed by district employees and does not include work primarily performed by independent contractors. Further clarifies that nothing in proposed law authorizes a hospital service district to enter into a negotiated contract that exceeds the contract limit otherwise applicable under proposed law.

Present law prohibits Construction Management at Risk (CMAR) from being used for projects estimated under \$5 million, or under \$2 million for hospital service districts. Requires a public entity to notify the House and Senate transportation committees at least 60 days in advance for projects under \$15 million with the project name, description, and justification for using CMAR.

Proposed law modifies present law by changing the hospital service district threshold from \$2 million to \$1 million.

Proposed law authorizes a hospital service district to perform public work estimated to cost \$1 million dollars or less using its own employees without advertisement for public bid.

(Amends R.S. 38:2212(C)(1) and 2225.2.4(A)(3); Adds R.S. 38:2212(C)(5) and R.S. 46:1073(D))