

LEGISLATIVE FISCAL OFFICE

Fiscal Note



Fiscal Note On: **HB 1129** HLS 26RS 2489

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 1, 2026	7:39 AM	Author: SCHAMERHORN
Dept./Agy.: Procurement		Analyst: Julie Silva
Subject: Hiring of qualified auctioneers		

PROPERTY/PUBLIC EN SEE FISC NOTE SG EX Page 1 of 1
 Provides relative to the selling of state-owned surplus movable property

Present law authorizes the commissioner of administration to sell state-owned surplus movable property through public auction and to contract with qualified, licensed auctioneers or auction services to conduct such sales.

Proposed legislation provides that when both in-state and out-of-state auctioneers submit bids, preference shall be given to in-state auctioneers, provided that the in-state services are equal in quality and do not exceed the cost of out-of-state services by more than 10%.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

Under current law, the Louisiana Property Assistance Agency (LPAA) may conduct surplus property sales through either live auctioneering services procured through a competitive bid process or internet-based auction platforms. Proposed legislation retains LPAA's authority to utilize either online or in-person auction services, but establishes a preference for qualified in-state auctioneers under certain conditions.

To the extent LPAA contracts for surplus property auctioneering services and selects a qualified in-state auctioneer pursuant to the preference established in proposed legislation, net proceeds from surplus property sales may decrease if the selected provider retains a higher buyer's premium than a competing out-of-state provider. LPAA reports that auctioneers are compensated through a buyer's premium retained from sale proceeds, rather than through a separately appropriated flat fee. Proposed legislation limits the selection of a higher-cost in-state provider to circumstances in which the cost does not exceed the lowest out-of-state bid by more than 10%, thereby limiting the potential reduction in net sale proceeds per transaction. The frequency and magnitude of such occurrences are indeterminable.

Proposed legislation may also increase administrative workload associated with annual procurement and potential transitions between auction service providers, including staff retraining and reposting auction inventory to different online platforms; however, any associated increase in expenditures is indeterminable.

REVENUE EXPLANATION


Proposed legislation may reduce SGR collections associated with surplus property sales conducted by the Louisiana Property Assistance Agency (LPAA) to the extent implementation of the in-state auctioneer preference results in higher buyer's premium rates or reduced bidder participation. LPAA reports that auctioneers are compensated through a buyer's premium retained from the proceeds of each sale, rather than through a separately appropriated flat fee. As a result, any increase in the buyer's premium retained by the auctioneer correspondingly reduces the net proceeds remitted to the state.

Proposed legislation authorizes the selection of a qualified in-state auctioneer whose cost does not exceed the lowest out-of-state bid by more than 10%. For illustrative purposes, assuming annual sales of approximately \$12.1 M and a 9% buyer's premium charged by an out-of-state provider, application of the full allowable 10% differential would increase the effective premium by approximately 0.9%, resulting in an estimated reduction of approximately \$108,900 annually in net SGR collections retained from surplus property sales. Actual impacts would depend on annual sales volume, buyer's premium rates, and procurement outcomes.

LPAA reports that prior to transitioning to a national online auction platform in 2020, annual surplus property sales totaled approximately \$3.4 M, compared to approximately \$12.1 M annually following implementation of the online platform. LPAA indicates that limiting procurement flexibility for auction services could reduce bidder participation and overall sale proceeds to the extent selected providers have less access to broader online buyer markets. However, the extent to which historical differences in sales are attributable specifically to the auction service provider, broader online market access, changes in inventory, or other factors cannot be independently verified.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
 Deputy Fiscal Officer