RÉSUMÉ DIGEST

SB 384 **2026 Regular Session** **Harris**

Proposed law would have authorized the governing authority of any parish to enact a resolution to designate the parish as a Pilot Innovation Hub.

Proposed law would have provided that the Pilot Innovation Hub designation permit the validation and implementation of innovative technologies to address public challenges, stimulate local economic activity, and create job opportunities.

Proposed law would have recognized local business growth and technology commercialization as a key component of economic development and contributors to statewide economic competitiveness.

Proposed law would have authorized any political subdivision within a Pilot Innovation Hub, to establish procedures for competitive selection of a pilot innovation contractor, enter into contracts with a pilot innovation contractor to manage programming, and utilize public property and align permitting and zoning to implement programming.

Proposed law would have allowed pilot innovation contractors to establish competitive selection and vetting procedures for program participants, develop and implement programming, define benchmarks and deployment metrics, and ensure that programming does not adversely impact public health, safety, or welfare.

Proposed law would have provided that successful completion of programming shall be demonstrated by a comprehensive pilot report that includes performance data and a roadmap for scaled deployment and demonstrates a valid public purpose and achievement of program goals.

Proposed law would have provided that, upon successful completion of programming, the parish governing authority or political subdivision may award a sole-source contract to the innovator without competitive bidding, subject to public notice and a thirty-day protest period and a requirement that the business maintain operations in the state.

Proposed law would have defined the terms "programming" and "pilot innovation contractor".

Would have become effective August 1, 2026.

(Proposed to add R.S. 38:2211.3)

VETO MESSAGE:

"Please be advised that I have vetoed Senate Bill 384 of the 2026 Regular Session by Senator Jimmy Harris. Senate Bill 384 would create an exception to existing laws governing public contracts, particularly Louisiana's Public Bid Law, R.S. 38:2211 et seq., for political subdivisions located in any parish that designates itself a "Pilot Innovation Hub." Upon adoption of this designation, every political subdivision located within the parish would be empowered to establish its own procedures for selecting a "Pilot Innovation Contractor," who would then be empowered to select candidates who may be awarded a no-bid contract with the political subdivision.

Enacting Senate Bill 384 would fragment the State's uniform system of public procurement and invite each of the hundreds of political subdivisions within the State to craft its own contracting procedures, subject only to a subjective standard of reasonableness. In doing so, Senate Bill 384 would replace one predictable, statewide procurement standard upon which taxpayers, vendors, and local officials could rely upon, with a patchwork of inconsistent local procedures.

When the Legislature created exceptions to the Public Bid Law in the past, it has done so by carefully prescribing uniform procedures for the entities that use them. See, e.g. R.S. 38:2225.1 (design-build); R.S. 38:2225.2.4 (construction management at risk). Senate Bill 384, however, lacks any criteria identifying products or services that may be considered "innovative" and would expand the circumstances in which sole-source contracts may be awarded. See, e.g. R.S. 39:1597 (authorizing sole source contracts "when there is only one source for a required supply, service, or major repair item").

A uniform competitive-bidding requirement protects taxpayers from exorbitant and extortionate expenditures of public funds. *See Broadmoor, L.L. C. v. Ernest N. Morial New Orleans Exhibition Hall Auth.*, 2004-0211 (La. 3/18/04), 867 So.2d 651, 656. The proliferation of divergent, locally devised procurement methods would needlessly increase the complexity of public procurement, making it more difficult for businesses desiring to enter the market or expand their business to be awarded a public contract. Senate Bill 384 would also make public contracts substantially harder to monitor and significantly easier to manipulate for improper reasons.

While I share Senate Bill 384's stated goal of fostering innovation and economic development, these goals can be pursued without compromising the predictability and accountability that standardized procurement procedures provide, particularly when Louisiana taxpayers are footing the bill.

For these reasons, Senate Bill 384 will not become law."