DIGEST

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Hebert HB No. 31

Abstract: Prohibits a contractor awarded a contract for disaster recovery work from retaining more than 15% of the contract amount if work under the contract is subcontracted to another person.

<u>Proposed law</u> prohibits a contractor who has been awarded a contract for more than \$25 million from retaining more than 15% of a disaster recovery work contract which is not competitively bid by sealed bid, if work for the contract is subcontracted and the contract is funded with federal funds.

Proposed law defines this prohibited activity as an unlawful, unfair, or deceptive act or practice.

<u>Proposed law</u> excludes private contractors who were awarded contracts directly from the governing authority of a parish or municipality.

(Adds R.S. 51:1425)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

- 1. Provides that <u>proposed law</u> only applies to contracts of greater than \$25 million.
- 2. Provides that <u>proposed law</u> only applies if the contract was not competitively bid.
- 3. Excludes certain private contractors.