LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On:	**SB**	**242**	SLS	11RS	349

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 11, 2011	7:47 AM	**Author:** APPEL
Dept./Agy.:		
Subject: Public Contracts		**Analyst:** Travis McIlwain

PUBLIC CONTRACTS   EG SEE FISC NOTE LF RV   Page 1 of 1

Requires recording of certain public work and material and supplies contracts and certain amendments, revisions, and change orders; increases fines and criminal penalties for splitting profits, fees, and commissions. (8/15/11)

Proposed legislation provides that each amendment or other revision to any service or insurance contract and each change order to a public works contract which adds an amount of 10% or more of the original contract amount and which additional amount is at least $10,000 or all amendments and other revisions to any service or insurance contract aggregating to an amount of 20% or more of the original contract amount and which additional amount is at least $10,000 shall be recorded by the public entity which entered into the contract in the office of the recorder where the public entity is domiciled no later than 30 days after the date of such amendment or other revision takes place. <u>The Office of Facility Planning & Control and the Office of State Purchasing are exempt from the proposed legislation.</u> This bill also repeals R.S. 38:2196.1, R.S. 39:200(N) and 1493.1 and R.S. 39:1758.

EXPENDITURES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	$0	$0	$0	$0	$0	$0
Ded./Other	$0	$0	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
REVENUES	2011-12	2012-13	2013-14	2014-15	2015-16	5 -YEAR TOTAL
State Gen. Fd.	$0	$0	$0	$0	$0	$0
Agy. Self-Gen.	$0	$0	$0	$0	$0	$0
Ded./Other	$0	$0	$0	$0	$0	$0
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

EXPENDITURE EXPLANATION

Because the legislation exempts the Office of Facility Planning & Control and the Office of State Purchasing, there will be no fiscal impact upon the Division of Administration as a result of this legislation. However, the proposed legislation does place the recordation requirements within Title 39, which may result in an indeterminable increase in expenditures for other state agencies being required to comply with the requirements of this bill if the clerk of courts actually charge governmental entities. In addition, this bill places the recordation requirements within Title 38, which may result in an indeterminable increase in expenditures for local governmental entities. However, the private contractor would likely bear the costs of recordation, but the bill is silent as to who would actually be responsible for the payment.

The majority of state impacted change orders and contract amendments would likely fall under the Office of State Purchasing and Facility Planning & Control purview.

REVENUE EXPLANATION

Proposed legislation may increase the revenues of clerks of courts by an indeterminable amount. The LFO does not know specifically how many change orders or contract amendments that would be filed as a result of this legislation. To the extent there are change orders and contract amendments that are beyond the threshold within the legislation, there will likely be an increase in the revenues of clerks of courts (local governments). R.S. 13:844 provides that clerks of court may charge recordation fees of up to $25 for page one and $10 for each page thereafter.

Senate	Dual Referral Rules	House	
☐ 13.5.1 >= $100,000 Annual Fiscal Cost {S&H}		☐ 6.8(F)1 >= $500,000 Annual Fiscal Cost {S}	*Evan Brasseaux*
		☐ 6.8(F)2 >= $100,000 Annual SGF Cost {H&S}	
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S&H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	**Evan Brasseaux** **Staff Director**