

STATEMENT OF PURPOSE

RS25090

This legislation, recommended by the State Procurement Laws Interim Committee, repeals the existing statute on unlawful state contracts and replaces it with a new statute that would be more equitable to the contracting parties. For example, the new statute would allow a contractor to be compensated for goods delivered or services provided before the contract was found to be unlawful, which the current statute does not permit. The new statute would also allow unlawful contracts to be ratified for up to six months if there is an urgent public need for the goods and services provided under the contract. Other unlawful contracts could simply be terminated, with appropriate compensation paid to the contractor, unless the contractor acted fraudulently or in bad faith, in which case the contract could be voided. Finally, the new statute would clarify penalties for state officers or employees who act fraudulently or in bad faith.

FISCAL NOTE

There is no anticipated fiscal impact specifically associated with this legislation, which is primarily intended to clarify state policy in regards to certain contracts.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).