

CORRECTED FISCAL NOTE

HB 907 - SB 823

May 23, 2005

SUMMARY OF BILL: Authorizes local governments to enact provisions to require every person to register with the local codes administration department when contracting for the construction, erection, alteration, repair, removal, or demolition of any building. Additionally, permit bonds of variable amounts for different types of work and different values would be required.

ESTIMATED FISCAL IMPACT:

On March 28, 2005 we issued a fiscal note on this bill indicating *a permissive increase in local government expenditures exceeding \$100,000*. Such estimated increase in expenditures was based upon the need for additional staff for local codes departments to implement the provisions of this bill. Based upon additional information obtained by staff regarding the process of licensure and bond verification, the estimated fiscal impact of this bill is:

(Corrected)

Increase Local Govt. Expenditures – Not Significant / Permissive

Other Fiscal Impact – The bill specifies that part of the role of the bond requirement is to indemnify local governments against any loss they may suffer if a contractor fails to comply with laws, ordinances, rules or regulations. Therefore, to the extent that local governments enact such provisions, there may be some decrease in local government expenditures; however, such decrease cannot reasonably be estimated due to the variability of such occurrences.

Assumption:

- It is estimated that there will be a permissive increase in local government expenditures to make forms modifications to implement the provisions of this bill. Such an increase is estimated to be not significant.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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