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FISCAL IMPACT REPORT

SPONSOR:	Kissner	DATE TYPED:	02/02/00	HB	343
SHORT TITLE:	Prohibit Federal Performance Bonds			SB	
				ANALYST:	Kehoe

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY00	FY01	FY00	FY01		
		See Fiscal Narrative			

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 113

SOURCES OF INFORMATION

Energy, Minerals & Natural Resources Department (EMNRD)

Office of Cultural Affairs (OCA)

Department of Labor (DOL)

SUMMARY

Synopsis of Bill

House Bill 343 prohibits state agencies from requiring performance bonds for construction or operation of a federal facility.

Significant Issues

A performance bond guarantees that contractors or operators will satisfactorily and fully perform the scope of service as provided for in a contract. Proceeds of a performance bond are used to compensate the entity requiring a bond in the event the work to be done is unsatisfactory or incomplete. Currently, state government and its subdivisions may require performance bonds for the construction or operation of federal facilities.

FISCAL IMPLICATIONS

According to EMNRD, House Bill 343 would remove the requirement for the financial assurance bond required by the Environment Department for the Waste Isolation Pilot Project (WIPP).

If House Bill 343 is enacted, \$20 million in highway funds being withheld by the Department of Energy to pay for a performance bond may be released to the state.

RELATIONSHIP

Relates to House Bill 113 which amends the Hazardous Waste Act to remove the requirement for financial assurance.

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