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FISCAL IMPACT REPORT

SPONSOR: King DATE TYPED: 03/06/01 HB 945
 SHORT TITLE: Minimum Allowable Construction Cost SB _____
 ANALYST: Taylor

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	NFI				

Duplicates/Relates to Appropriation in The General Appropriation Act None.

SOURCES OF INFORMATION

Labor Department
 General Services Department (GSD)

SUMMARY

Synopsis of Bill

House Bill 945 strikes language that establishes a *maximum* allowable construction costs of \$10 million for public works projects, other than road and highway construction or reconstruction projects, authorized as design and build projects. It adds a minimum project size requirement of \$500,000.

FISCAL IMPLICATIONS

The fiscal implications of the bill are indirect and positive. Allowing more public construction projects to be authorized for design and build should save money necessary for such projects since a profit-maximizing business would only adopt design-build if it was financially beneficial to do so. The benefits of the change are not readily quantifiable, however.

ADMINISTRATIVE IMPLICATIONS

The Labor Department and General Services Department report that the bill would have no administrative implications for them.

BT/njw:ar