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FISCAL IMPACT REPORT

ORIGINAL DATE 3-16-09
LAST UPDATED 3/16/09 **HB** _____

SPONSOR Asbill

SHORT TITLE Public Project Subcontractor Bonding **SJM** 71/aSFI #1

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		Minimal			Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of SFI Amendment #1

Senate Floor Amendment #1 to Senate Joint Memorial 71 adds that the work group also develops a process for determining a prequalified preferred bidder list.

The amendment also adds additional members to work group including a representative from the Associated Builders and Contractors, National Electrical Contractors, Mechanical Contractors Association, and Sheet Metal and Air Conditioner Contractor Association of New Mexico and two members of New Mexico AFL-CIO Building Trades Council.

The amendment deletes from the work group the representative from the New Mexico Federation of Labor.

Synopsis of Original Bill

Senate Joint Memorial 71 requests that the Superintendent of Insurance convene a work group to study the costs and benefits of the statutory requirement that all subcontractors on public works projects of more than one hundred twenty-five thousand dollars (\$125,000) be bonded.

The work group shall including the Secretaries, or the Secretary's designee of General Services, Higher Education, Transportation; Directors, or the director's designee of Public School Facilities Authority, Construction Industries Division of the Regulation and Licensing Department; one representative each of the Associated General Contractors, New Mexico Federation of Labor, New Mexico Association of Counties, New Mexico Municipal League; and three members of the Public School Capital Outlay Council from School Districts.

The work group shall report its findings and recommendations to the governor, the Public School Capital Outlay Oversight task force, the Legislative Finance Committee, and the Legislative Education Study Committee.

FISCAL IMPLICATIONS

The joint memorial has no appropriation; however, implementing the directives contained in this bill would have a minimal administrative impact including staff time and appropriate supporting resources.

DL/mc