

HOUSE OF REPRESENTATIVES LOCAL BILL STAFF ANALYSIS

BILL #: HB 889 Hillsborough County

SPONSOR(S): Ambler and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 1734

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Urban & Local Affairs</u>	<u>9 Y, 0 N</u>	<u>Fudge</u>	<u>Kruse</u>
2) <u>Government Efficiency & Accountability Council</u>	<u></u>	<u></u>	<u></u>
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SUMMARY ANALYSIS

Currently, Hillsborough County is authorized to waive payment and performance bond requirements on projects to encourage local small businesses to participate in county procurement programs. A small business that has been the successful bidder on three projects where the bond has been waived is ineligible to bid on additional projects where the bond has been waived and that cost not less than \$200,000 and not exceeding \$500,000. The bill increases the number of projects from three to five. The bill also extends the expiration of the act from September 30, 2009 to September 30, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

This bill does not appear to implicate any House Principles.

B. EFFECT OF PROPOSED CHANGES:

Current Situation

Chapter 2004-414, L.O.F., authorizes Hillsborough County to waive payment and performance bond requirements for construction or repair projects that cost \$500,000 or less and are awarded pursuant to an economic development program that encourages small businesses to participate in county procurement programs. Currently, a small business that has been the successful bidder on three projects where the bond has been waived is ineligible to bid on additional projects where the bond has been waived and that cost not less than \$200,000 and not exceeding \$500,000. The act expires September 30, 2009.

Effect of Proposed Changes

As stated above, a small business that has been the successful bidder on three projects where the bond has been waived is ineligible to bid on additional projects where the bond has been waived and that cost not less than \$200,000 and not exceeding \$500,000. The bill increases the number of projects from three to five. The bill also extends the expiration of the act from September 30, 2009 to September 30, 2011.

C. SECTION DIRECTORY:

Section 1: Increases the number of projects the bond requirement can be waived for a successful bidder. Extends expiration date of the act.

Section 2: Provides an effective date of upon becoming law.

II. NOTICE/REFERENDUM AND OTHER REQUIREMENTS

A. NOTICE PUBLISHED? Yes No

IF YES, WHEN? January 10, 2008

WHERE? In the *Tampa Tribune*, a newspaper published at Tampa in Hillsborough County.

B. REFERENDUM(S) REQUIRED? Yes No

IF YES, WHEN?

C. LOCAL BILL CERTIFICATION FILED? Yes, attached No

D. ECONOMIC IMPACT STATEMENT FILED? Yes, attached No

The Economic Impact Statement indicates that the county has experienced no losses or defaults as a result of the projects in which bond requirements were waived.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Under current law, for those contracts for which a payment and performance bond has been waived, the county is required to pay all persons defined in section 713.01, F.S., who furnish labor, services, or materials, to the same extent and upon the same conditions that a surety on the payment bond would have been obligated to pay. The bill may increase the county's liability for payment for a single contractor when that contractor has more contracts for which a bond has been waived.

D. STATEMENT OF THE SPONSOR

No Sponsor Statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES