

*****NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: SB 929 Committee Substitute

SHORT TITLE: An act to make changes in state law concerning participation by disadvantaged businesses in highway contracts.

SPONSOR(S): Senator Ralph Hunt

FISCAL IMPACT:	Expenditures:	Increase ()	Decrease ()
	Revenues:	Increase ()	Decrease ()
	No Impact ()		
	No Estimate Available (x)		

FUND AFFECTED: General Fund () Highway Fund (x) Local Govt. ()
Other Funds ()

BILL SUMMARY:

EFFECTIVE DATE: July 1, 1993

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Transportation

	FISCAL IMPACT				
	<u>FY 93-94</u>	<u>FY 94-95</u>	<u>FY 95-96</u>	<u>FY 96-97</u>	<u>FY 97-98</u>
REVENUES:					
GENERAL FUND					
HIGHWAY FUND					
HIGHWAY TRUST FUND					
LOCAL					
EXPENDITURES					

ASSUMPTIONS AND METHODOLOGY: The Department currently has a Good Faith Effort Committee. There will be no additional expense in reviewing bids. There is potential cost to the department under section (f) on page 3 of the bill. DOT would be allowed to waive the performance and payment bond requirement for projects valued at \$200,000 or less. DOT has approximately 900 purchase order contracts each year less than \$200,000. There is the potential that DOT could waive a bond and the contractor would fail to complete a project, thus leaving the state to pay for another contractor to finish. Since the language is permissive, there is no way to estimate the number of waivers DOT will give nor is there a basis to estimate failure to perform the work.

FISCAL RESEARCH DIVISION

733-4910

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DATE: June 22, 1993



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