

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 23, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB704 by Lucio (Relating to the small contractor participation assistance program for certain state construction projects.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would require the Texas Building and Procurement Commission (TBPC) to maintain the small contractor participation assistance program as a division of the state historically underutilized business (HUB) program.

The bill would require TBPC to develop a bond application package, with guidance from the Texas Department of Insurance, to assist small contractors in preparing bond application packages and obtain bonds required to participate in public works projects.

The bill would require TBPC to designate a TBPC employee to serve as the small contractor participation coordinator to administer the small contractor participation assistance program. The bill would require the coordinator to provide technical assistance and training, with assistance from the Texas Department of Insurance, related to preparing bond application packages and obtaining bonds; and with assistance from the facilities construction and space management division of TBPC, to provide small contractors technical assistance related to participation in the program.

The bill would require the coordinator to submit an annual report describing the activities and progress of the program to the governor, the lieutenant governor, and the speaker of the house of representatives. This report would be included in TBPC's consolidated HUB report.

The bill would require TBPC to provide small contractor safety training to ensure compliance with federal job site safety standards.

The bill would restrict funds appropriated to TBPC for the small contractor participation assistance program to be used only for that program.

TBPC indicated there would be costs associated with implementing the provisions of the bill. It is assumed that these costs could be absorbed with existing resources.

The bill would take effect September 1, 2007.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 303 Building and Procurement Commission

LBB Staff: JOB, KJG, EP