

## Department of Planning and Budget 2006 Fiscal Impact Statement

**1. Bill Number** HB994

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input checked="" type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron** Brink

**3. Committee** General Laws and Technology

**4. Title** Virginia Public Procurement Act; purchase of certain insurance in construction projects.

**5. Summary/Purpose:** Allows a public body to purchase, at its own expense, an owner-controlled insurance program in connection with any public construction contract meeting defined criteria. The public body must include notice of its intent to use an owner-controlled insurance program, and specific coverages, in any request for proposal. The bill prohibits a public body from requiring that a contractor for architecture or professional engineering services participate in such a program, except to the extent that the public body may elect to secure excess coverage. The bill defines owner-controlled insurance program and provides that no contractor or subcontractor can be required to provide insurance coverage for a construction project if that specified coverage is included in an owner-controlled insurance program in which the contractor or subcontractor is enrolled.

**6. No Fiscal Impact.** See item 8, below.

**7. Budget amendment necessary:** No.

**8. Fiscal implications:** The bill would only have an impact on the Commonwealth should it elect to provide owner-controlled insurance programs for construction projects. The Commonwealth currently offers no such program.

**9. Specific agency or political subdivisions affected:** Department of the Treasury.

**10. Technical amendment necessary:** No.

**11. Other comments:** In August 2004, at the request of the Department of the Treasury, Marsh & McLennan Companies performed a feasibility study of establishing an owner controlled insurance program in the Commonwealth.

This bill is a companion to SB 271.

**Date:** 02/17/06/tmw

**Document:** G:\2006 Session\Fiscal Impact Statements\Hb994h1.Doc Toni Walker

**cc:** Secretary of Finance