

## Department of Planning and Budget 2007 Fiscal Impact Statement

**1. Bill Number** HB3065

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

**2. Patron** Marshall, R.G.

**3. Committee** General Laws

**4. Title** Virginia Public Procurement Act; bid, payment, and performance bonds; alternate forms of security

**5. Summary/Purpose:** This bill expands the forms of alternate bid, payment, and performance security that may be used to include a bond provided or executed by an individual surety provided that (i) the person acting as the individual surety transacts business only through an insurance agency licensed by the Bureau of Insurance of the State Corporation Commission; (ii) the person acting as the individual surety provides an affidavit of individual surety in a form acceptable to the Department of General Services; and (iii) pledges certain assets in the amount equal to 100 percent of the contract value for the total penal amount of the performance and payment bonds or the penal amount of the bid as required by the bid bond.

**6. Fiscal Impact Estimates are:** See Item 8.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** The fiscal impact estimates are indeterminate. There may be an increase in cost to the individual surety by requiring the individual surety to transact business through an insurance company; this cost (if any) would likely be passed on to the owner/agency.

**9. Specific agency or political subdivisions affected:** Agencies that issue contracts

**10. Technical amendment necessary:** No

**11. Other comments:** None

**Date:** 01/24/07 / AFG

**Document:** G:\AFG\General Assembly 2007 Session\FIS 2007\HB3065.Doc AFG

cc: Secretary of Administration