

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number **03-2258/2**
 Introduction Number **AB-417**

Subject
 Retainage amounts on public construction contracts

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" type="checkbox"/> School Districts <input checked="" type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

DOA 8/1/2003

LRB Number	03-2258/2	Introduction Number	AB-417	Estimate Type	Original
Subject					
Retainage amounts on public construction contracts					

Assumptions Used in Arriving at Fiscal Estimate

For public contracts changing the limitation on retainage to 5% from the current 10% means that more funds will be disbursed earlier by state and local governments. Assuming satisfactory completion, the funds eventually would have been disbursed but the earlier payouts will mean that state and local governments will not benefit from the interest earnings those funds might have accrued. Actual costs would depend on the state's and local government's level of project contracts and the interest rate earned on public funds.

Some expression has been made that the deletion of the option for additional retainage related to satisfactory completion might permit contractors to abandon work with added costs for projects to bring another contractor in to finish a job. However, there is no data to estimate such costs.

Long-Range Fiscal Implications

Unknown.