

### Fiscal Estimate - 2017 Session

Original       Updated       Corrected       Supplemental

LRB Number **17-5204/1**      Introduction Number **SB-708**

**Description**  
 Public contracting requirements and donated improvements

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
  - Increase Existing Revenues
  - Decrease Existing Revenues
  - Increase Costs - May be possible to absorb within agency's budget
    - Yes
    - No
  - Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs      3.  Increase Revenue
  - Permissive  Mandatory       Permissive  Mandatory
  - 2.  Decrease Costs      4.  Decrease Revenue
  - Permissive  Mandatory       Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**  
 GPR    FED    PRO    PRS    SEG    SEGS

Agency/Prepared By	Authorized Signature	Date
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**Fiscal Estimate Narratives**

**DOA 2/6/2018**

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<b>Description</b> Public contracting requirements and donated improvements					

**Assumptions Used in Arriving at Fiscal Estimate**

2017 SB 708 provides an exception to bidding requirements for public construction projects undertaken by local units of government. Specifically, under 2017 SB 708, a local unit of government would not be required to let a public contract to the lowest responsible bidder for a public construction project having an estimated cost of more than \$25,000 when an improvement is constructed by a private person and donated to the local unit of government after the completion of construction. This exception would be in addition to the current exception to let a contract for a public construction project for which the materials are donated or the labor is provided by volunteers.

The Department estimates that the proposed exception would result in less resources utilized by a local unit of government to provide for the letting of a contract for a public construction project for which an improvement is constructed by a private person and donated to the local unit of government. The Department does not have data regarding the number of such occurrences, or the resulting savings to local units of government.

**Long-Range Fiscal Implications**