CLERK: Mr. President, the first bill this morning, by Senator Bromm, LB 420. (Read title.) Bill was introduced on January 9, referred to the Government, Military and Veterans Affairs Committee, advanced to General File. I do have committee amendments. (AM0236, Legislative Journal page 556.)

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Bromm, you are recognized to open on LB 420.

SENATOR BROMM: Thank you very much, Mr. President. LB 420 is an attempt to correct a couple of technical matters, or change a couple of technical matters with respect to bonding on public construction projects. And I'll just briefly describe, I think, what it does. It allows the public owner's representative to be named as an additional obligee on the payment bond provided by the contracts for public construction, along with the owner. For example, it could be that you've got an architect that is responsible for the project, or a general contractor. And if there's going to be a bond for a particular amount of work, a subcontract, if that bond runs only to the general contractor or the architect and not to the public owner, then that general contractor or architect must then procure a second bond overall in favor of the owner in order for the owner, public owner, to have protection. This would eliminate, in that respect, some expense under those circumstances, because it might eliminate some overlapping bond coverage. Full coverage by bonding of the total contract price is still required, and should be required. This does not change that. And there is full discretion with the public owner to decide if this bonding arrangement, where the bond runs to the additional obligee in addition to the owner, is to be used or not used. That's the public owner's discretion. It also clarifies, as there have apparently been some questions in some instances, whether or not the contractor may select is surety company or agent from which it wishes to purchase the bond. Now, the...there's a committee amendment that the Government, Military and Veterans Affairs Committee adopted which provides that the corporate surety company must have a rating that's acceptable to the owner, as the owner may require, whatever...whether they require an A rating, or a double A rating, that would still be up to the owner's discretion, and would have to be adhered to. And I...when that