

to make all the agencies uniform rather than just DPI and Department of Corrections having to have these. And it also...the bill would also place all advertising procedures for state projects under the rule and reg making authority of DAS, and it would eliminate specific advertising requirements that are currently in place only for DPI and Department of Corrections. So that is what the bill does. Now, my amendment...what my amendment does is it says that for local projects, on local projects that cost \$5,000 or less, those local projects, at the discretion of the local board, they could waive a payment bond on projects of \$5,000 or less. There will be discrepancy. At the state level, they will be able to waive them on \$15,000 or less, at the local level only \$5,000 or less. The reason the two numbers are in there is because we felt that the state would have a better opportunity of covering a \$15,000 loss than would a local entity, so they would only have to cover a \$5,000 loss, if they did not issue a bond. It still...and it meets the criticism, the original criticism of the bill was that we were mandating that they not have a bond on these. This bill makes it very...it makes it voluntary, it makes it at the discretion of the local board or the discretion of the state agency as to whether or not they want to waive the bond requirements. I think that that's all that I would have to say on it. If someone has some questions about it, I would be glad to try and answer their questions. I had a number of discussions with different bonding people, and they seem to be fairly well satisfied with this process, as long as we kept the numbers at 5 and 15, which we have done in the bill. So, with that, I would agree to answer any questions, if anybody has any.

PRESIDENT: I have three lights on. Please advise if you wish to speak about the Baack amendment. Senator Withem.

SENATOR WITHEM: Yes, Mr. President, members of the body, I will support the Baack amendment and support the bill in the form that it will be in at the end of the...putting the Baack amendment on. We've had a number of bills like this in the last several years, and I just wanted to make a comment or two about this whole concept of performance bonds. Some of the very small contractors who can't get bonded want to be able to do work for the state, for the local subdivisions by showing some other form of security. The performance bond is a far, far preferable form of security because when a contractor gets a job, midway through that job, and if for some reason they cannot carry out what they agreed to perform, whether it's to build a new building, or