

repair a building, or install some new equipment, or whatever it is, the bonding company will come in and they will stand then in the place of that contractor that went bankrupt and was unable to perform. That's a far, far preferable situation than having some other form of security there that the subdivision gets the money but then has to go out and rebid the project, probably at a higher rate at that time. The subdivision then has to go in and clean up all of the problems and stand in the place then of the contractor. And a performance bond is a far, far preferable method of security than any of these other types of securities that we deal with. Now what the bill does is give some relief for small, small projects; a small project for a subdivision of \$5,000, or the state at 15, that's probably acceptable. But to open this up any more and have other forms of security, other than performance bonds, in those sorts of situations is probably not a good idea. My original amendment would have put the limit at 10,000 for the state instead of 15, and that's probably quibbling over very small items. And, for that reason, I'm going to offer support to the Baack amendment and to the bill. But if it got much higher than that, I would recommend fairly strongly that we not do this, that performance bonds sometimes seem a hassle for the small contractors, they sometimes seem a hassle for the subdivision, but they are there to protect the taxpayers to make sure that when a project is contracted for that they...that there will, in fact, be a performance. And if a contractor cannot get bonded, maybe they ought not be bidding on this type of project, because they may not be able to complete it satisfactorily. So, for that reason, somewhat reluctantly, I guess, I'm supporting both the bill and Senator Baack's amendment because it makes the bill better than it was previously.

PRESIDENT: Thank you. Senator Nelson, did you wish to speak about the Baack amendment?

SENATOR NELSON: I'll speak on the...no, I believe I will...just...

PRESIDENT: All right.

SENATOR NELSON: Not much difference here. Senator Baack, I have a few questions to ask and things that come to mind. I'm not sure whether I will support the bill. And I certainly couldn't support more than the 15,000, and I, too, for...the same as Senator Withem. I would prefer that to go down to