

10,000 at least, and we're nitpicking over a small amount of money when we're talking large amounts in the end result. But for the services for the bonding company for municipalities, for the work that...I think a bond is one and a half or two percent, not a lot of money, 225, 250 dollars. And the legal work and the work that the bonding company does in regard to lien waivers and legal documents and so on, it would seem to me that yet the 225, 250 dollars would be a minimal amount for the protection of the city. I had a very firsthand incident that went on for years, and I think it's maybe finally settled. The bonding company really didn't come through, a project in a small town west of Grand Island, and it fell back on the company then, the subcontractor, and eventually that company went bankrupt and the other fellow, and the products limitation of four years had ran out. The attorney left it sit on his desk until the time limit went out. It was a big mess. And I would be very...I'm very hesitant to support the bill for that reason. I see what you're coming at and a minimal amount. But again, on the other hand, for the small amount of the charge, and I know some small contractors it's a way that maybe they can get a job, maybe they can stay in business. Do you have any thoughts on the 225, the 250, the legal fees and so on that are provided by the bonding company?

PRESIDENT: Senator Baack, would you respond, please.

SENATOR BAACK: Yes. Senator Nelson, you know, I agree with you. In many cases, it is quite a small amount. But for some of the small contractors and stuff cash flow is a very difficult thing for them when they're bidding on these contracts. And in talking...the testimony that came before the committee, they demonstrated to us that that's very difficult to come up with that cash right up front sometimes on some of these projects. So it creates some cash flow problems for some of these small entities. But the thing that needs to be stressed is that this bill is not mandatory. You know, the local governing agency, if they decide that they want to have a bond, they can require a bond. They can do that. But in a case where the project may be...and in local entities it has to be less than \$5,000, the project. So, if they decide it doesn't need a bond, they can do that, but they can still require a bond if they want to. So there is some discretion in there.

SENATOR NELSON: Thank you.