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FLOOR DEBATE

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LB 655

there are only two or three construction companies who can provide an \$800 million payment bond, thereby reducing the competitiveness of the bond. To help alleviate this problem, the original LB 655 provided that if a contract allows for payment of labor, equipment, or materials on a monthly basis, then the penal sum of the payment bond or bonds will not be required to exceed two times the estimated maximum monthly payment for the labor, equipment, and materials expected to occur at any time during the contract, unless the state department, agency, board, or officer includes a larger bond or letter of credit requirement in the contract for the project. After LB 655 was introduced, a compromise between surety companies, contractors, and OPPD was reached. And I think it's probably a better solution and will work better for everybody. The compromise language was introduced as an amendment to LB 655 at the public hearing before the Judiciary Committee. The amendment narrows the effect of the bill to apply only to public power districts, no other political subdivisions, for construction contracts in excess of \$200 million that relate to electric generating facilities. And I think that with the amendment, the opposition of the Department of Administrative Services, which was really the only identifiable opponent at the committee hearing, that goes away, and everybody else comes on board. I would like to particularly thank Senator Patrick Bourne for choosing LB 655 as his priority bill. And with that, Mr. President, I would return my time to the Chair, but would be happy to answer questions, if there are any.

SPEAKER BROMM: Thank you, Senator Schimek. Mr. Clerk, we have committee amendments.

CLERK: Mr. President, the Judiciary Committee would move to amend with AM1201. (Legislative Journal page 1188.)

SPEAKER BROMM: Senator Brashear to open on the committee amendments to LB 655.

SENATOR BRASHEAR: Mr. Speaker, members of the body, the committee amendment narrows the effect of the bill to apply only to construction contracts which relate to electric generating facilities. For those contracts, the penal sum of the