

SENATE BILL REPORT

SB 5858

AS REPORTED BY COMMITTEE ON GOVERNMENT OPERATIONS,
MARCH 3, 1993

Brief Description: Forbidding requiring financial security devices for permits for local government units' construction projects.

SPONSORS: Senator Cantu

SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Majority Report: That Substitute Senate Bill No. 5858 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, Owen, von Reichbauer, and Winsley.

Staff: Rod McAulay (786-7754)

Hearing Dates: March 2, 1993; March 3, 1993

BACKGROUND:

Counties, cities and towns, as a condition of issuing a building permit, may require the owner of the project to provide a surety bond or other financial security to assure that financial resources are available to complete the project.

Such conditions have, on occasion, been unnecessarily imposed upon other units of local government which have a tax base providing sufficient assurance of financial responsibility.

SUMMARY:

Counties, code cities, non-code cities and towns may not require another unit of local government to secure the performance of a permit requirement with a surety bond or other financial security device as a condition of issuing a permit for a building construction project.

EFFECT OF PROPOSED SUBSTITUTE:

State agencies are added to those who may not be required to post financial security.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Unnecessary costs to taxpayers will be reduced.

TESTIMONY AGAINST: None

TESTIFIED: Senator Cantu, prime sponsor