

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	9 - 0 - 0
Yeas:	Gilliam, Krieger, Matthews, Riley, Smith J., Tomei, Whisnant, Wingard, Holvey
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/10, 2/11

WHAT THE MEASURE DOES: Allows a partnership or joint venture to offer or submit a bid to perform construction work if the named partner or joint venture is properly licensed and endorsed for work. Designates an operative date of July 1, 2010.

ISSUES DISCUSSED:

- Change made by House Bill 3242 (2007)
- Bill maintains current practices

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Current law provides for multiple individuals to enter into a joint venture to bid for construction projects. Joint ventures are usually formed to work on a single project in order to bid or propose work without needing to obtain a contractor's license or bond, and avoid the expense of licensing, bonding and insurance that will not be used if the bid is unsuccessful. A joint venture must obtain a contractor license, endorsement bond and insurance after it is awarded a project and before any work can be performed.

House Bill 3242 (2007) inadvertently deleted the ability of joint ventures to submit bids without first obtaining the necessary licensing, bonding and insurance requirements. The change is scheduled to take effect on July 1, 2010. House Bill 3699 stipulates that, for purposes of bidding on a construction project, a joint venture may bid or offer without itself obtaining these qualifications if any of the partners or joint venturers whose name appears on the business name of the partnership or joint venture is currently licensed and possesses the appropriate endorsements.