

SUBCOMMITTEE RECOMMENDATION

HB 2415

Relating to payments on contracts

HB 2415 requires a contracting agency to place amounts deducted as retainage into an interest-bearing escrow account for contracts in excess of \$500,000. Interest on the retainage amount accrues from the date the payment request is approved to the date the retainage is paid to the contractor to which it is due.

This measure has an estimated fiscal impact of \$139,141 General Fund in 2019-21, related to a new Accountant 1 position at the Department of Corrections. This measure applies to all agencies but is only likely to impact the Department of Corrections based on the volume of contracts they manage. This cost will be included in that agency's budget bill (SB 5504).

The General Government Subcommittee recommends HB 2415 be reported out do pass.