

HCS SB 243 -- STATE PROPERTY PRESERVATION FUND

SPONSOR: Yeckel (Bearden)

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 24 to 0.

This substitute creates the State Property Preservation Fund, which is to consist of moneys appropriated by the General Assembly.

Moneys in the fund are available for the payment of any property loss for insured state-owned or leased buildings if a notice of coverage is issued for the property and the state is obligated to provide evidence of insurance.

The aggregate of payments from the fund are not to exceed the lesser of the amounts necessary to repair or restore the covered property to its condition before the covered loss or its fair market value at the time of the loss.

The fund is to be deemed as satisfying all provisions contained in any agreement requiring the state to purchase or maintain property insurance on state-owned or leased buildings and their contents.

The substitute contains an emergency clause.

FISCAL NOTE: Estimated Net Savings to General Revenue Fund of \$937,759 in FY 2004, \$1,189,665 in FY 2005, and \$1,308,632 in FY 2006. Does not include unknown transfer to State Property Preservation Fund. Estimated Net Savings to Other Funds of \$249,277 in FY 2004, \$316,241 in FY 2005, and \$347,864 in FY 2006. Estimated Net Effect on State Property Preservation Fund of a cost of Unknown and an income of Unknown in FY 2004, FY 2005, and FY 2006.

PROPOSERS: Supporters say that the bill as it passed the Senate provides the legal ability for the state to fulfill bonded indebtedness requirements pursuant to self insurance of public buildings. Currently, 90% of state buildings are insured by the state. There have been two losses in the past 15 years.

Testifying for the bill was Senator Yeckel.

OPPOSERS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst