

HCS HB 341 -- STATE PROPERTY PRESERVATION FUND

SPONSOR: Bearden

COMMITTEE ACTION: Voted "do pass" by the Committee on Budget by a vote of 25 to 0 with 1 present.

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 or their contents.

FISCAL NOTE: Not available at time of printing.

PROPOSERS: Supporters say that the bill provides the legal ability for the state to fulfill bonded indebtedness requirements pursuant to self insurance of public buildings. Terrorist attacks have reduced the number of companies bidding on insurance for public buildings and greatly increased premium costs. Currently 90% of state buildings are insured by the state.

Testifying for the bill was Office of Administration.

OPPOSERS: There was no opposition voiced to the committee.

Roland Tackett, Legislative Analyst