

State Impact

Passage of this bill will eliminate new revenue to the Residence Lien Recovery Fund of approximately \$350,000 the first year. Expenses will be reduced the first year by approximately \$72,000 and two FTE. Claims will be processed and required expenses to the Department of Commerce and the Attorney General will be paid through the transition period.

All revenue and expenses are through the expandable trust fund. Revenue changes do not affect the State General Fund.

	<u>FY 02 Approp.</u>	<u>FY 03 Approp.</u>	<u>FY 02 Revenue</u>	<u>FY 03 Revenue</u>
Trust Funds	(\$72,000)	(\$500,000)	(\$350,000)	(\$500,000)
TOTAL	<u><u>(\$72,000)</u></u>	<u><u>(\$500,000)</u></u>	<u><u>(\$350,000)</u></u>	<u><u>(\$500,000)</u></u>

Individual and Business Impact

This legislation will save new contractors the \$195 Lien Recovery Fund registration fee. Homeowners and home buyers may experience an increase in construction costs ranging from \$100 to over \$7,000 per project depending on the bonding criteria. If a homeowner does not bond, their financial liability is increased significantly.
