

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do pass as amended and be printed engrossed
Vote:	8-0-1
Yeas:	Berger, Bruun, Butler, Gelser, Olson, Read, Witt, Barnhart
Nays:	
Exc.:	Rosenbaum
Prepared By:	Paul Warner, Economist
Meeting Dates:	6/13

WHAT THE BILL DOES: Modifies laws governing self insurance programs of local public bodies. Stipulates that \$1 million requirement for annual contributions is in addition to any amounts paid by participating public bodies for the purpose of acquiring excess insurance. Specifies that unallocated reserve account may not be funded by borrowing.

ISSUES DISCUSSED:

- Purpose of local self insurance programs.
- History dating back to 1985.
- Need to close loopholes from 2005 legislation.

EFFECT OF COMMITTEE AMENDMENTS: Deletes reference to purchases of stop-loss insurance. Adds modifying language to annual contributions and prohibition on borrowing for purposes of meeting reserve allocations.

BACKGROUND: Special districts use self insurance as a means of pooling risk and reducing insurance costs. Districts need statutory guidance to ensure that minimum standards for requirements are met.

6/18/2007 5:15:12 PM

This summary has not been adopted or officially endorsed by action of the committee.