

By: Gervin-Hawkins

H.B. No. 857

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the requirement for payment bonds from certain public  
3 work contractors.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 2253.021(a), Government Code, is amended  
6 to read as follows:

7 (a) A governmental entity that makes a public work contract  
8 with a prime contractor shall require the contractor, before  
9 beginning the work, to execute to the governmental entity:

10 (1) a performance bond if the contract is in excess of  
11 \$100,000; and

12 (2) a payment bond if:

13 (A) the contract is in excess of \$100,000  
14 [~~\$25,000~~], and the governmental entity is not a municipality or a  
15 joint board created under Subchapter D, Chapter 22, Transportation  
16 Code; or

17 (B) the contract is in excess of \$50,000, and the  
18 governmental entity is a municipality or a joint board created  
19 under Subchapter D, Chapter 22, Transportation Code.

20 SECTION 2. (a) The changes in law made by this Act apply  
21 only to a public work contract for which a governmental entity first  
22 advertises or otherwise requests bids, proposals, offers, or  
23 qualifications, or makes a similar solicitation, on or after the  
24 effective date of this Act.

1           (b) A public work contract for which a governmental entity  
2 first advertises or otherwise requests bids, proposals, offers, or  
3 qualifications, or makes a similar solicitation, before the  
4 effective date of this Act is governed by the law as it existed  
5 immediately before the effective date of this Act, and that law is  
6 continued in effect for that purpose.

7           SECTION 3. This Act takes effect September 1, 2023.