

By: Gervin-Hawkins

H.B. No. 643

A BILL TO BE ENTITLED

AN ACT

relating to the requirement for payment bonds from certain public work contractors.

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

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

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

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

(2) a payment bond if:

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

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

SECTION 2. (a) The changes in law made by this Act apply only to a public work contract for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the 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, 2025.