

By: Brown of Brazos

H.B. No. 851

A BILL TO BE ENTITLED

AN ACT

relating to certain requirements for construction contracts with governmental entities.

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

SECTION 1. Section 406.096, Labor Code, is amended by amending Subsections (a) and (c) and adding Subsection (f) to read as follows:

(a) A governmental entity that enters into a building or construction contract shall require the contractor to certify in writing that the contractor provides ~~[workers' compensation insurance coverage]~~ for each employee of the contractor employed on the public project:

(1) workers' compensation insurance coverage; or

(2) benefits for personal injuries or death in the amounts described by Subsection (f).

(c) A contractor who is subject to Subsection (a) and who provides ~~[has a contract that requires]~~ workers' compensation insurance coverage for the contractor's employees may provide the coverage through a group plan or other method satisfactory to the governing body of the governmental entity.

(f) A contractor under Subsection (a) who does not have workers' compensation insurance coverage must provide benefits under the contract for personal injuries or death sustained by an employee in the course and scope of employment in at least the

1 following amounts:

2 (1) \$300,000 for medical expenses for at least 104
3 weeks after the date of injury;

4 (2) \$100,000 in accidental death benefits for a fatal
5 injury; and

6 (3) weekly income benefits of at least 75 percent of
7 the employee's preinjury income for at least 104 weeks after the
8 date of injury, not to exceed \$600.

9 SECTION 2. This Act takes effect September 1, 2003, and
10 applies only to a contract for building or construction between a
11 governmental entity and a contractor that is entered into on or
12 after that date. A contract entered into before the effective date
13 of this Act is governed by the law in effect on the date the contract
14 was entered into, and the former law is continued in effect for that
15 purpose.