

AN ACT

relating to the notice required to be given to a governmental entity to recover in a suit on a payment bond.

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

SECTION 1. Section 2253.027, Government Code, is amended to read as follows:

Sec. 2253.027. LIABILITY OF GOVERNMENTAL ENTITY. (a) If a governmental entity fails to obtain from a prime contractor a payment bond as required by Section 2253.021:

(1) the entity is subject to the same liability that a surety would have if the surety had issued a payment bond and if the entity had obtained the bond; and

(2) a payment bond beneficiary is entitled to a lien on money due to the prime contractor in the same manner and to the same extent as if the public work contract were subject to Subchapter J, Chapter 53, Property Code.

(b) To recover in a suit under Subsection (a), the only notice a payment bond beneficiary is required to provide to the governmental entity is a notice provided in the same manner as described by Subchapter C. The notice must be provided as if the governmental entity were a surety.

SECTION 2. (a) This Act takes effect September 1, 2003.

(b) The change in law made by this Act applies only to a suit filed under Section 2253.027, Government Code, as amended by this

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1 Act, on or after September 1, 2003. A suit filed before September
2 1, 2003, is covered by the law in effect when the suit was filed, and
3 the former law is continued in effect for that purpose.

H.B. No. 1171

President of the Senate

Speaker of the House

I certify that H.B. No. 1171 was passed by the House on April 8, 2003, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1171 was passed by the Senate on May 27, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor