

By: Harris

S.B. No. 1639

A BILL TO BE ENTITLED

1 AN ACT
2 relating to requirements based on dollar amounts regarding payment
3 bonds and change orders for certain public contracts.

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

5 SECTION 1. Subsection (a), Section 2253.021, Government
6 Code, is amended 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 \$25,000 and the
14 governmental entity is not a municipality or a joint board created
15 under Chapter 22, Transportation Code; or

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

19 SECTION 2. Subsection (c), Section 252.048, Local
20 Government Code, is amended to read as follows:

21 (c) If a change order involves a decrease or an increase of
22 \$50,000~~[\$25,000]~~ or less, the governing body may grant general
23 authority to an administrative official of the municipality to
24 approve the change orders.

1 SECTION 3. The change in law made by this Act to Subsection
2 (a), Section 2253.021, Government Code, applies only to a contract
3 entered into on or after the effective date of this Act, and the
4 change in law made by this Act to Subsection (c), Section 252.048,
5 Local Government Code, applies only to a change order approved on or
6 after the effective date of this Act. A contract entered into or
7 change order approved before the effective date of this Act is
8 governed by the law in effect when the contract was entered into or
9 the change order was approved, and the former law is continued in
10 effect for that purpose.

11 SECTION 4. This Act takes effect September 1, 2009.