

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 27, 2009**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB2515** by Smith, Todd (Relating to certain requirements applicable to certain public contracts.), **As Passed 2nd House**

<b>No fiscal implication to the State is anticipated.</b>
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Current law in the Government Code requires a governmental entity to require a payment bond from a prime contractor for a public work contract in excess of \$25,000. The bill would amend the Government Code to require this payment bond if the governmental entity is not a municipality or joint board for a county or municipal airport, or if the contract is in excess of \$50,000 and the governmental entity is a municipality or joint board for a county or municipal airport.

Current law in the Property Code provides that a person who furnishes material or labor to a contractor under a prime contract that does not exceed \$25,000 and that is for public improvements has a lien on the money, bonds, or warrants due the contractor for the improvements. The bill would amend the Property Code to have this lien if the governmental entity is not a municipality or joint board for a county or municipal airport, or if the contract does not exceed \$50,000 and the governmental entity is a municipality or joint board for a county or municipal airport.

The agencies contacted indicate that the bill would have no fiscal implication to the State.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 303 Facilities Commission, 304 Comptroller of Public Accounts, 529 Health and Human Services Commission, 601 Department of Transportation, 696 Department of Criminal Justice, 701 Central Education Agency, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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