

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 14, 2009

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

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

No fiscal implication to the State is anticipated.

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

LBB Staff: JOB, PJK, KJG, SD, DB