

SENATE AMENDMENTS

2nd Printing

By: Smith of Tarrant

H.B. No. 2515

A BILL TO BE ENTITLED

AN ACT

relating to the minimum dollar amount for certain requirements to apply to certain public contracts.

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

SECTION 1. Section 2253.021(a), Government Code, is amended to read as follows:

(a) A governmental entity that makes a public work contract with a prime contractor shall require the contractor, before beginning the work, to execute to the governmental entity:

(1) a performance bond if the contract is in excess of \$100,000; and

(2) a payment bond if:

(A) the contract is in excess of \$25,000, and the governmental entity is not a municipality or a joint board created under Subchapter D, Chapter 22, Transportation Code; or

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

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

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

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

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

ADOPTED

MAY 26 2009

Atty. Gen.
Secretary of the Senate

By: Harris

H.B. No. 2515

Substitute the following for H.B. No. 2515:

By: [Signature]

C.S. H.B. No. 2515

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9 beginning the work, to execute to the governmental entity:

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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 Subchapter D, 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 Subchapter D, Chapter 22, Transportation Code.

19 SECTION 2. Section 53.231, Property Code, is amended to
20 read as follows:

21 Sec. 53.231. LIEN. (a) A person who furnishes material or
22 labor to a contractor under a prime contract with a governmental
23 entity other than a municipality or a joint board created under
24 Subchapter D, Chapter 22, Transportation Code, that does not exceed

1 \$25,000 and that is for public improvements in this state and who
2 gives notice required by this subchapter has a lien on the money,
3 bonds, or warrants due the contractor for the improvements.

4 (b) A person who furnishes material or labor to a contractor
5 under a prime contract with a municipality or a joint board created
6 under Subchapter D, Chapter 22, Transportation Code, that does not
7 exceed \$50,000 and that is for public improvements in this state and
8 who gives notice required by this subchapter has a lien on the
9 money, bonds, or warrants due the contractor for the improvements.

10 SECTION 3. Section 53.234, Property Code, is amended to
11 read as follows:

12 Sec. 53.234. TIME FOR NOTICE. The lien claimant must give
13 notice [~~before any payment is made to the contractor and~~] not later
14 than the 15th day of the second month following the month in which
15 the labor was performed or the material furnished.

16 SECTION 4. The changes in law made by this Act to Section
17 2253.021(a), Government Code, apply only to a contract entered into
18 on or after the effective date of this Act. A contract entered into
19 before the effective date of this Act is governed by the law in
20 effect when the contract was entered into, and the former law is
21 continued in effect for that purpose.

22 SECTION 5. This Act takes effect September 1, 2009.

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**

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, SZ, PJK, KJG, SD, DB

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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

May 11, 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 the minimum dollar amount for certain requirements to apply to certain public contracts.), **As Engrossed**

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 Local Government Code allows the governing body of a municipality to grant general authority to an administrative official to approve a change order that involves a decrease or an increase of \$25,000 or less. The bill would raise the limit to \$50,000.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

April 9, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB2515 by Smith, Todd (Relating to the minimum dollar amount for certain requirements to apply to certain public contracts.), **Committee Report 1st 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.

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

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 30, 2009

TO: Honorable Burt R. Solomons, Chair, House Committee on State Affairs

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

IN RE: HB2515 by Smith, Todd (Relating to the minimum dollar amount for certain requirements to apply to certain public contracts.), **As Introduced**

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