86R12425 MTB-D

By:  Flores S.B. No. 1456

A BILL TO BE ENTITLED

AN ACT

relating to the requirement for performance bonds from certain public work contractors.

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 $150,000 [~~$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.  (a) The changes in law made by this Act apply only to a public work contract for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the effective date of this Act.

(b)  A public work contract for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2019.