

By: Gervin-Hawkins

H.B. No. 26

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the requirement for payment bonds from certain public
3 work contractors.

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

5 SECTION 1. Section 2253.021(a), Government Code, is amended
6 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 \$100,000
14 [~~\$25,000~~], and the governmental entity is not a municipality or a
15 joint board created under Subchapter D, Chapter 22, Transportation
16 Code; or

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

20 SECTION 2. (a) The changes in law made by this Act apply
21 only to a public work contract for which a governmental entity first
22 advertises or otherwise requests bids, proposals, offers, or
23 qualifications, or makes a similar solicitation, on or after the
24 effective date of this Act.

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

7 SECTION 3. This Act takes effect on the 91st day after the
8 last day of the legislative session.