

Amend CSHB 692 (house committee printing) as follows:

(1) On page 2, line 17, between "the" and "contract", insert "work required to be performed under the".

(2) Strike page 2, lines 18 through 24, and substitute the following:

(b) Except as provided by Subsection (i):

(1) if the total value of a public works contract is less than \$5 million, a governmental entity may not withhold retainage in an amount that exceeds 10 percent of the contract price and the rate of retainage may not exceed 10 percent for any item in a bid schedule or schedule of values for the project, including materials and equipment delivered on site to be installed;

(2) if the total value of a public works contract is \$5 million or more, a governmental entity may not withhold retainage in an amount that exceeds five percent of the contract price and the rate of retainage may not exceed five percent for any item in a bid schedule or schedule of values for the project, including materials and equipment delivered on site to be installed; and

(3) if a public works contract relates to the construction or maintenance of a dam, as that term is defined by Section 423.0045, regardless of the total value of the contract, a governmental entity may not withhold retainage in an amount that exceeds 10 percent of the contract price and the rate of retainage may not exceed 10 percent for any item in a bid schedule or schedule of values for the project, including materials and equipment delivered on site to be installed.

(3) On page 3, line 4, strike "contract described by Subsection (b)" and substitute "public works contract".

(4) On page 3, line 7, strike "than the percentage" and substitute "than the percentage that may be".

(5) On page 3, line 9, strike "Subsection (b)" and substitute "the contract".

(6) On page 3, line 16, between "the" and "contract", insert "work required to be performed under the".

(7) On page 3, line 19, between "the" and "contract", insert

"work required to be performed under the".

(8) Strike page 4, lines 1 through 4, and substitute the following:

contractor, or by a person under the direction or control of the prime contractor, failed to comply with the express terms of the contract or if the surety on any outstanding surety bond executed for the contract does not agree to the release of retainage. The governmental entity must provide to the prime contractor written notice of the basis on which the governmental entity is withholding retainage under this subsection. If there is no bona fide dispute between

(9) Strike page 4, lines 13 through 18, and substitute the following:

(g) A governmental entity is not required to accept a prime contractor's offer of compensation under Subsection (f)(2).

(h) Subsection (f) may not be construed to limit either the governmental entity's or prime contractor's right to pursue any remedy available under the express terms of the public works contract or other applicable law.

(10) On page 4, line 19, strike "(h)" and substitute "(i)".