

By: Eckhardt

S.B. No. 305

A BILL TO BE ENTITLED

1 AN ACT
2 relating to required provision of workers' compensation insurance
3 coverage for employees of building and construction contractors and
4 subcontractors.

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

6 SECTION 1. The heading to Section 406.096, Labor Code, is
7 amended to read as follows:

8 Sec. 406.096. REQUIRED PROVISION OF COVERAGE FOR EMPLOYEES
9 OF [CERTAIN] BUILDING OR CONSTRUCTION CONTRACTORS AND
10 SUBCONTRACTORS.

11 SECTION 2. Section 406.096, Labor Code, is amended by
12 amending Subsections (a), (b), and (c) and adding Subsection (a-1)
13 to read as follows:

14 (a) A contractor shall provide workers' compensation
15 insurance coverage for each employee of the contractor. A
16 subcontractor shall provide workers' compensation insurance
17 coverage for each employee of the subcontractor.

18 (a-1) A governmental entity that enters into a building or
19 construction contract shall require the contractor to:

20 (1) certify in writing that the contractor provides
21 workers' compensation insurance coverage for each employee of the
22 contractor employed on the public project; and

23 (2) if the contractor uses a subcontractor on the
24 public project, provide a written certificate, submitted by each

1 subcontractor, that the subcontractor provides workers'
2 compensation insurance coverage for each employee of the
3 subcontractor employed on the public project.

4 (b) Each subcontractor on a ~~[the]~~ public project shall
5 provide the ~~[such a]~~ certificate described by Subsection (a-1)(2)
6 ~~[relating to coverage of the subcontractor's employees]~~ to the
7 general contractor, who shall provide the subcontractor's
8 certificate to the governmental entity.

9 (c) A contractor or subcontractor may provide ~~[who has a~~
10 ~~contract that requires]~~ workers' compensation insurance coverage
11 ~~[may provide the coverage]~~ through a group plan, an
12 owner-controlled consolidated insurance program created under
13 Chapter 151, Insurance Code, or another ~~[other]~~ method. If the
14 contractor enters into a contract with a governmental entity for a
15 public project, the coverage provided by the contractor and, if
16 applicable, by each subcontractor must be satisfactory to the
17 governing body of the governmental entity.

18 SECTION 3. The change in law made by this Act applies only
19 to a contract for building or construction that is entered into on
20 or after the effective date of this Act. A contract entered into
21 before the effective date of this Act is governed by the law in
22 effect on the date the contract was entered into, and the former law
23 is continued in effect for that purpose.

24 SECTION 4. This Act takes effect September 1, 2021.