By:  Bell of Kaufman, et al. H.B. No. 679

     (Senate Sponsor - Schwertner)

(In the Senate - Received from the House April 26, 2023; April 27, 2023, read first time and referred to Committee on Business & Commerce; May 11, 2023, reported adversely, with favorable Committee Substitute by the following vote: Yeas 11, Nays 0; May 11, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Schwertner           X

King                 X

Birdwell             X

Campbell             X

Creighton            X

Johnson              X

Kolkhorst            X

Menéndez             X

Middleton            X

Nichols              X

Zaffirini            X

COMMITTEE SUBSTITUTE FOR H.B. No. 679 By:  Nichols

A BILL TO BE ENTITLED

AN ACT

relating to limitations on the use of workers' compensation insurance experience modifier values in soliciting and awarding public construction contracts.

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

SECTION 1.  Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.909 to read as follows:

Sec. 2252.909.  VOIDABLE CONTRACT PROVISION: EXPERIENCE MODIFIER. (a) In this section:

(1)  "Contract" means a contract awarded by a governmental entity that is:

(A)  a construction contract, as defined by Section 272.0001, Business & Commerce Code; or

(B)  a contract for constructing, altering, or repairing a public building or carrying out or completing any public work.

(2)  "Contract solicitation" means a request for bids, proposals, qualifications, offers, or other responses from potential contractors under a contract.

(3)  "Experience modifier" means a factor expressed as a value that:

(A)  is assigned to an employer seeking to purchase a workers' compensation insurance policy in this state;

(B)  affects the premium amount for the policy; and

(C)  is based on the employer's past loss experience.

(4)  "Governmental entity" means:

(A)  a department, commission, board, office, or other agency in the executive branch of state government created by the state constitution or a state statute, including an institution of higher education as defined by Section 61.003, Education Code; or

(B)  a political subdivision of this state, including a municipality, county, or special purpose district.

(b)  With respect to a contract:

(1)  an offer to contract may not contain a term requiring a person to have a specified experience modifier in order to accept the offer; and

(2)  a contract solicitation may not require a person to have a specified experience modifier in order to submit a response to the contract solicitation.

(c)  A contract or an agreement collateral to or affecting a contract may not require the contractor to have a specified experience modifier.

(d)  A contract solicitation, an offer, a contract, or an agreement collateral to or affecting a contract that violates Subsection (b) or (c) is voidable as against public policy.

SECTION 2.  Section 2252.909, Government Code, as added by this Act, applies only to a contract for which a governmental entity first advertises or otherwise solicits offers on or after the effective date of this Act.  A contract for which a governmental entity first advertised or otherwise solicited offers before the effective date of this Act is governed by the law in effect on the date the governmental entity first advertised or otherwise solicited offers, and that law is continued in effect for that purpose.

SECTION 3.  This Act takes effect September 1, 2023.

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