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By:  Goldman H.B. No. 3001

A BILL TO BE ENTITLED

AN ACT

relating to purposes for which certificates of obligation may be authorized.

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

SECTION 1.  Section 271.043, Local Government Code, is amended by adding Subdivision (5-a) to read as follows:

(5-a)  "Designated infrastructure" means infrastructure for a purpose described by Sections 26.012(9)(A)-(E) and (G), Tax Code.

SECTION 2.  Sections 271.045(a) and (b), Local Government Code, are amended to read as follows:

(a)  The governing body of an issuer may authorize certificates to pay a contractual obligation to be incurred for the:

(1)  construction of any designated infrastructure [~~public work~~];

(2)  purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes; or

(3)  payment of contractual obligations for professional services, including services provided by tax appraisers, engineers, architects, attorneys, map makers, auditors, financial advisors, and fiscal agents.

(b)  If necessary because of change orders, certificates may be authorized in an amount not to exceed 25 percent of a contractual obligation incurred for the construction of designated infrastructure [~~public works~~], but certificates may be delivered only in the amount necessary to discharge contractual obligations.

SECTION 3.  Section 271.057(a), Local Government Code, is amended to read as follows:

(a)  Except as provided by Subsection (b), a contract let under this subchapter for the construction of designated infrastructure [~~public works~~] or the purchase of materials, equipment, supplies, or machinery and for which competitive bidding is required by this subchapter must be let to the lowest responsible bidder and, as the governing body determines, may be let on a lump-sum basis or unit price basis.

SECTION 4.  Section 271.059, Local Government Code, is amended to read as follows:

Sec. 271.059.  CONTRACTOR'S BONDS. If a contract is for the construction of designated infrastructure [~~public works~~] and is required by this subchapter to be submitted to competitive bidding, the successful bidder must execute a good and sufficient payment bond and performance bond. The bonds must each be:

(1)  in the full amount of the contract price; and

(2)  executed, in accordance with Chapter 2253, Government Code, with a surety company authorized to do business in this state.

SECTION 5.  The changes in law made by this Act apply only to a certificate of obligation authorized to be issued on or after the effective date of this Act.  A certificate of obligation authorized to be issued before the effective date of this Act is governed by the law in effect immediately before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 6.  This Act takes effect September 1, 2023.