

By: Goldman

H.B. No. 3001

A BILL TO BE ENTITLED

1 AN ACT
2 relating to purposes for which certificates of obligation may be
3 authorized.

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

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

7 (5-a) "Designated infrastructure" means
8 infrastructure for a purpose described by Sections
9 26.012(9)(A)-(E) and (G), Tax Code.

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

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

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

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

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

24 (b) If necessary because of change orders, certificates may

1 be authorized in an amount not to exceed 25 percent of a contractual
2 obligation incurred for the construction of designated
3 infrastructure [~~public works~~], but certificates may be delivered
4 only in the amount necessary to discharge contractual obligations.

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

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

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

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

- 21 (1) in the full amount of the contract price; and
22 (2) executed, in accordance with Chapter 2253,
23 Government Code, with a surety company authorized to do business in
24 this state.

25 SECTION 5. The changes in law made by this Act apply only to
26 a certificate of obligation authorized to be issued on or after the
27 effective date of this Act. A certificate of obligation authorized

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1 to be issued before the effective date of this Act is governed by
2 the law in effect immediately before the effective date of this Act,
3 and the former law is continued in effect for that purpose.

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