

BILL ANALYSIS

Senate Research Center

S.B. 1066
By: Perry
Water, Agriculture and Rural Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Statute (Texas Government Code, Section 2253) currently requires payment bonds for construction contracts greater than \$25,000 and performance bonds for construction contracts greater than \$100,000. Public works projects have continued to increase in size and complexity since the thresholds were first established in the 1990s. The Texas Parks and Wildlife Department has faced challenges finding contractors as these amounts are cost-prohibitive for smaller contractors and those in rural areas where TPWD maintains facilities.

S.B. 1066 will increase payment and performance bond dollar thresholds to \$150,000 for "public works" contracts for only TPWD. Additional benefits of raising these thresholds include:

- Increasing the state's bidding pool and contractor competition;
- Increasing opportunities for new or smaller subcontractors (including HUBs) to compete for state contracts as a prime contractor;
- Increasing opportunities for local contractors; and
- Reducing an already lengthy and complex contracting process, thus lowering project costs.

As proposed, S.B. 1066 amends current law relating to requiring payment and performance bonds for certain public work contracts.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 11.0171, Parks and Wildlife Code, by adding Subsection (a-1), as follows:

(a-1) Requires the executive director of the Texas Parks and Wildlife Department (executive director; TPWD), for a contract described by Subsection (a)(2) (relating to authorizing the executive director, or the executive director's designee, to negotiate, contract, or enter an agreement for professional services relating to a TPWD project) that is also a public work contract, as the term is defined by Section 2253.001 (Definitions), Government Code, to require the contractor, before beginning work on the contract, to execute with TPWD a performance bond if the contract is greater than \$150,000 and a payment bond if the contract is greater than \$150,000.

SECTION 2. Makes application of Section 11.0171, Parks and Wildlife Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2025