

BILL ANALYSIS

Senate Research Center
89R16461 MP-F

C.S.S.B. 1066
By: Perry
Water, Agriculture and Rural Affairs
3/3/2025
Committee Report (Substituted)

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.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1066 amends current law relating to the requirement for performance and payment bonds from certain contractors of the Parks and Wildlife Department.

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 Texas Parks and Wildlife Department (TPWD), the executive director of PWD, or the executive director's designee, if the value of a contract under 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) for constructing, altering, or repairing a public building or carrying out or completing any public works exceeds \$150,000, to require the contractor to execute a performance bond and a payment bond to TPWD before beginning work.

SECTION 2. Makes application of Section 11.0171(a-1), Parks and Wildlife Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.