By: Spiller H.B. No. 770

A BILL TO BE ENTITLED

AN ACT

relating to workers' compensation insurance coverage and bid bonding requirements for small municipal construction projects for certain municipalities.

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

SECTION 1. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.909 to read as follows:

Sec. 271.909. WORKERS' COMPENSATION AND BID BONDING REQUIREMENTS FOR SMALL MUNICIPAL CONSTRUCTION PROJECTS FOR CERTAIN MUNICIPALITIES. (a) In this section, "project" includes all work to be completed on a construction project for a municipality at one location within 12 months of the date the work begins.

(b) This section applies only to a municipality with a population of less than 20,000.

(c) Notwithstanding any other law, for a construction project contracted for an amount that is less than one percent of the total amount of a municipality's most recently adopted budget, the municipality is not required to:

(1) ensure that the contractor is covered by workers' compensation insurance coverage; or

(2) require the contractor to obtain a performance bond.

(d) For the purpose of determining the contracted amount of a construction project under Subsection (c), a municipality may not

aggregate work from more than one project.

SECTION 2. The change in law made by this Act applies only to a contract entered into on or after the effective date of this Act.

SECTION 3. This Act takes effect September 1, 2027.