By: Blanco S.B. No. 333

A BILL TO BE ENTITLED

AN ACT

relating to required provision of workers' compensation insurance coverage for employees of building and construction contractors and subcontractors.

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

SECTION 1. The heading to Section 406.096, Labor Code, is amended to read as follows:

Sec. 406.096. REQUIRED PROVISION OF COVERAGE FOR EMPLOYEES OF [~~CERTAIN~~] BUILDING OR CONSTRUCTION CONTRACTORS AND SUBCONTRACTORS.

SECTION 2. Section 406.096, Labor Code, is amended by amending Subsections (a), (b), and (c) and adding Subsection (a-1) to read as follows:

(a) A contractor shall provide workers' compensation insurance coverage for each employee of the contractor. A subcontractor shall provide workers' compensation insurance coverage for each employee of the subcontractor.

(a-1) A governmental entity that enters into a building or construction contract shall require the contractor to:

(1) certify in writing that the contractor provides workers' compensation insurance coverage for each employee of the contractor employed on the public project; and

(2) if the contractor uses a subcontractor on the public project, provide a written certificate, submitted by each

subcontractor, that the subcontractor provides workers' compensation insurance coverage for each employee of the subcontractor employed on the public project.

(b) Each subcontractor on a [~~the~~] public project shall provide the [~~such a~~] certificate described by Subsection (a-1)(2) [~~relating to coverage of the subcontractor's employees~~] to the general contractor, who shall provide the subcontractor's certificate to the governmental entity.

(c) A contractor or subcontractor may provide [~~who has a contract that requires~~] workers' compensation insurance coverage [~~may provide the coverage~~] through a group plan, an owner-controlled consolidated insurance program created under Chapter 151, Insurance Code, or another [~~other~~] method. If the contractor enters into a contract with a governmental entity for a public project, the coverage provided by the contractor and, if applicable, by each subcontractor must be satisfactory to the governing body of the governmental entity.

SECTION 3. The change in law made by this Act applies only to a contract for building or construction that is entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2027.