

## **BILL ANALYSIS**

Senate Research Center

C.S.H.B. 2159  
By: Bosse (Brown)  
State Affairs  
5/12/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, Texas law requires five percent of the contract price for a highway improvement project to be retained until the entire improvement has been completed and accepted. This could reduce the cash flow of the contractor, which could result in higher bids. The number of projects on which a contractor may bid may be limited, since the retained amount is counted against a contractor's bidding capacity. C.S.H.B. 2159 would authorize the Texas Department of Transportation to release a portion of the amount retained under a highway improvement contract pending completion and acceptance of the improvement.

### **PURPOSE**

As proposed, C.S.H.B. 2159 authorizes the Texas Department of Transportation to release a portion of the amount retained under a highway improvement contract pending completion and acceptance of the improvement.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 223.010, Transportation Code, by amending Subsection (a) and adding Subsection (h), as follows:

(a) Requires five percent of the contract price to be retained until the entire improvement has been completed and accepted, except as provided by Subsection (h).

(h) Provides that this subsection applies only to a contract that provides for a separate vegetative establishment, maintenance, or performance period following construction of an improvement. Authorizes the Texas Department of Transportation to release a portion of the amount retained under Subsection (a) at the time construction of the improvement is completed but no more than the amount sufficient to ensure compliance with the contract, before the entire improvement is accepted.

SECTION 2. Emergency clause.

Effective date: upon passage.