

## **BILL ANALYSIS**

Senate Research Center  
77R297 DRH-D

S.B. 157  
By: Truan  
State Affairs  
2/1/2001  
As Filed

### **DIGEST AND PURPOSE**

Under current law, the Texas Department of Transportation (TxDOT) requires financial surety against the default of a company which has been awarded a contract. Unlike other agencies, TxDOT accepts a guaranty only in the form of a cashier's check equal to five percent of the bid cost. As proposed, S.B. 157 authorizes such a guaranty to be in the form of either a cashier's check, a money order, or a bid bond.

### **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 Chapter 223A, Transportation Code, by adding Section 223.014 as follows:

Sec. 223.014. FORM OF PROPOSAL GUARANTY. Authorizes specific forms for a guaranty if the Texas Department of Transportation by rule requires a proposal guaranty as a condition for bidding on a contract.

SECTION 2. Effective date: January 1, 2002.