

BILL ANALYSIS

Senate Research Center
79R11793 MTB-D

H.B. 2659
By: Krusee (Lindsay)
Transportation & Homeland Security
4/29/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

During the 78th Legislature, Regular Session, 2003, legislation was passed that allowed the Texas Department of Transportation (TxDOT) to shorten the minimum time length of a bond to two years for private maintenance contracts. However, upon subsequent letting of a maintenance contract by TxDOT, it was discovered that the time frame for performance bonds was shortened but this same provision was not extended to payment bonds. Both of these bonds are required for such contracts. H.B. 2659 applies to payment bonds the same two-year minimum bond coverage period that currently applies to performance bonds.

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. Reenacts and amends Section 223.042, Transportation Code, as amended by Chapters 28 and 274, Acts of the 78th Legislature, Regular Session, 2003, as follows:

Sec. 223.042. PRIVATIZATION OF MAINTENANCE CONTRACTS. (a) Makes no change to existing text.

(b) Provides that money spent for maintenance projects to which this section does not apply is, rather than are, included when computing the amount of expenditures for maintenance projects in a fiscal year.

(c)-(i) Makes no change to existing text.

(j) Redesignated from existing Subsection (i). Authorizes the Texas Department of Transportation, as an alternative to the requirements of Sections 2253.021(b) and (c), to require that a performance or payment bond, under a contract awarded under this section for a maintenance project meets certain criteria. Deletes existing text relating to securing a contractor's performance under Section 2253.021, Government Code, and routine maintenance activity.

(k) Redesignated from existing Subsection (j). Requires a claim against a performance or payment bond issued under this section to be filed against the bond in effect on the date the basis for the claim arose. Deletes existing text relating to a bond posted under Subsection (i).

SECTION 2. Effective date: upon passage or September 1, 2005.