

BILL ANALYSIS

Senate Research Center

H.B. 576
By: Smith, Wayne (Ellis)
Natural Resources
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, certain navigation, conservation, and reclamation districts and certain port authorities are authorized to adopt minimum criteria for the qualifications of bidders on their construction contracts. For construction contracts over \$25,000 the district requires a person who bids on the contract to submit a certified or cashier's check or a bid bond of at least two percent of the total amount of the bid. Although this law authorizes certain districts or authorities to accept either form of bid deposit, the law does not explicitly state that either form of deposit is acceptable. Certain bidders with small or medium-sized companies have found that submitting a cashier's check while bidding on multiple projects is an undue financial burden.

H.B. 576 clarifies that either form of bid deposit is acceptable for certain navigation, conservation, and reclamation districts and certain port authorities as a good faith bid deposit for construction contracts for more than \$250,000.

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 Section 49.271(c), Water Code, to require certain navigation, conservation, and reclamation districts and certain port authorities (district), notwithstanding any criteria adopted under this subsection, for a construction contract for more than \$250,000 to accept a bid bond in the amount required by the district as a bid deposit if the bid bond meets the other requirements of this subsection.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2007.