

- SUBJECT:** Requirements for surety bond obtained for a public project
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 10 ayes — Wolens, S. Turner, Bailey, Counts, Craddick, Danburg, Hunter, Longoria, McClendon, Merritt
- 0 nays
- 5 absent — Brimer, Hilbert, D. Jones, Marchant, McCall
- WITNESSES:** For — John Avila; Robert Bass, Texas Coalition of Sureties; Derrell Dodson; Angela Dominguez; *Registered but did not testify:* Steven W. Dobson; Bo Gilbert, Independent Insurance Agents of Texas; Bill J. King; Tom Ragsdale; Steven Searcey; Tracy Tucker; John Ward; Audrey Williams; Francis Zebedeo
- Against — None
- On — Raymond Risk, Texas Construction Association
- BACKGROUND:** Government Code, sec. 2166.258(b) allows the General Services Commission (GSC) and other state agencies to require a contractor or subcontractor to meet part or all of the bonding or insurance requirements for a public project.
- DIGEST:** CSHB 3530 would prohibit the GSC and other agencies from requiring a contractor for any public construction contract to obtain a surety bond from any specific insurance or surety company, agent, or broker. The commission and other state agencies still could require the contractor to meet any other insurance requirements for the project.
- The bill would take effect September 1, 2001, and would apply only to a construction contract made on or after that date.
- NOTES:** The committee substitute modified the filed version to conform to Texas Legislative Council style and format.

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The companion bill, SB 1268 by Madla, which is identical to CSHB 3530, passed the Senate by voice vote on April 26 and has been referred to the House State Affairs Committee.