

BILL ANALYSIS

Senate Research Center
79R2520 MTB-D

S.B. 1474
By: Lindsay
Transportation & Homeland Security
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Currently, the Texas Department of Transportation (department) has the ability 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 the department, 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.

As proposed, S.B. 1474 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. Amends Section 223.042, Transportation Code, by amending Subsections (i) and (j), as amended by Chapter 28, Acts of the 78th Legislature, Regular Session, 2003, and by adding Subsections (k) and (l), as follows:

(j) Redesignated from existing Subsection (i). Authorizes the Texas Department of Transportation (department), as an alternative to the requirements of Section 2253.021 (Privatization of Maintenance Contracts), Government Code, to require that a performance or payment bond securing a contractor's under a contract awarded under this section for a routine maintenance activity be in certain amounts.

(k) Redesignated from existing Subsection (j). Makes a conforming change.

(l) Provides that a bond that replaces a bond issued in accordance with Subsections (j) and (k) relieves the surety and the contractor on the previous bond from all obligations associated the with previous bond.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: upon passage or September 1, 2005.