

CHAPTER 907

H.B. No. 1964

AN ACT

relating to the authority of a public housing authority to accept a contractor's letter of credit in lieu of a performance bond and payment bond.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. The Housing Authorities Law (Article 1269k, Vernon's Texas Civil Statutes) is amended by adding Section 8a to read as follows:

Sec. 8a. LETTER OF CREDIT ACCEPTED IN LIEU OF PAYMENT AND PERFORMANCE BONDS. In the award of a contract for the construction, reconstruction,
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improvement, alteration, or repair of any public building or for the completion of any public work, an authority must comply with applicable state laws regarding the execution of a contractor's performance bond and payment bond. However, if authorized by a federal program or federal regulation, an authority may accept, in lieu of a performance bond and payment bond, an unconditional and irrevocable letter of credit in the amount of the contract price and payable to the authority.

SECTION 2. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 8, 1987, by a non-record vote. Passed by the Senate on May 28, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 19, 1987.

Effective Aug. 31, 1987, 90 days after date of adjournment.