

1-1 By: Bell of Kaufman (Senate Sponsor - Nichols) H.B. No. 5435
 1-2 (In the Senate - Received from the House May 8, 2025;
 1-3 May 9, 2025, read first time and referred to Committee on Business
 1-4 & Commerce; May 26, 2025, reported favorably by the following vote:
 1-5 Yeas 11, Nays 0; May 26, 2025, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to required lease terms for public property leased to a
 1-22 nongovernmental entity.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 2252.909, Government Code, as added by
 1-25 Chapter 1008 (H.B. 2518), Acts of the 88th Legislature, Regular
 1-26 Session, 2023, is amended by amending Subsection (b) and adding
 1-27 Subsection (b-1) to read as follows:

1-28 (b) Except as provided by Subsection (b-1), a [A] lease
 1-29 between a governmental entity and another person regarding public
 1-30 property must contain lease terms requiring the person to:

1-31 (1) include in each contract for the construction,
 1-32 alteration, or repair of an improvement to the leased property a
 1-33 condition that the contractor:

1-34 (A) execute a payment bond that conforms to
 1-35 Subchapter I, Chapter 53, Property Code; and

1-36 (B) execute a performance bond in an amount equal
 1-37 to the amount of the contract for the protection of the governmental
 1-38 entity and conditioned on the faithful performance of the
 1-39 contractor's work in accordance with the plans, specifications, and
 1-40 contract documents; and

1-41 (2) provide to the governmental entity a notice of
 1-42 commencement consistent with this section at least 90 days before
 1-43 the date the construction, alteration, or repair of any improvement
 1-44 to the leased property begins.

1-45 (b-1) The requirement that a lease must contain a term
 1-46 requiring notice of commencement to a governmental entity under
 1-47 Subsection (b)(2) does not apply to a lease between an institution
 1-48 of higher education, as defined by Section 61.003, Education Code,
 1-49 and another person regarding public property.

1-50 SECTION 2. The change in law made by this Act applies only
 1-51 to a lease between a governmental entity and another person
 1-52 regarding public property that is entered into on or after the
 1-53 effective date of this Act.

1-54 SECTION 3. This Act takes effect September 1, 2025.

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