

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 9, 2019**

**TO:** Honorable Dade Phelan, Chair, House Committee on State Affairs

**FROM:** John McGeady, Assistant Director    Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE:** **HB2135** by Shine (relating to retainage requirements for certain public works construction projects.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Subchapter B of Chapter 2252 of the Government Code, regarding contracts with a governmental entity.

The bill would impose certain additional requirements for public works contracts entered into by a governmental entity. The bill would require a governmental entity to hold no more than 5 percent retainage on a project with a total value of \$1 million or more. The bill would prohibit governmental entities from withholding retainage in certain circumstances and would allow governmental entities to withhold retainage in certain other circumstances.

The Facilities Commission, Public Utility Commission of Texas, Military Department, Department of Transportation, Comptroller of Public Accounts, Texas Education Agency, Parks and Wildlife Department, and the General Land Office and Veterans' Land Board indicate there would be no significant fiscal impact. These agencies anticipate any additional work resulting from the passage of this bill could reasonably be absorbed with current resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:**     303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 401 Military Department, 473 Public Utility Commission of Texas, 601 Department of Transportation, 701 Texas Education Agency, 802 Parks and Wildlife Department

**LBB Staff:** WP, CMa, JPU, CW, TBo, NA