

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 19, 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.), **As Introduced**

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 and no more than 2 percent for a civil works project after the entity has beneficial use of the project. 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