

By: Gervin-Hawkins

H.B. No. 2854

A BILL TO BE ENTITLED

AN ACT

relating to change order limits for construction contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 271.060, Local Government Code, is amended by amending Subsections (c) and (d) and adding Subsection (c-1) to read as follows:

(c) A contract with an original contract price of \$5 million [~~\$1 million~~] or more may not be increased by more than 25 percent. If a change order for a contract with an original contract price of less than \$5 million [~~\$1 million~~] increases the contract amount to \$5 million [~~\$1 million~~] or more, subsequent change orders may not increase the revised contract amount by more than 25 percent.

(c-1) A contract with an original contract price of less than \$5 million may not be increased in the aggregate by more than the greater of:

(1) 50 percent; or

(2) \$1 million.

(d) A governing body may grant authority to an official or employee responsible for purchasing or for administering a contract to approve a change order that involves an increase or decrease of \$250,000 [~~\$50,000~~] or less.

SECTION 2. The changes in law made by this Act apply only to a contract entered into on or after the effective date of this Act. A contract entered into before the effective date of this Act is

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1 governed by the law in effect on the date the contract was entered
2 into, and the former law is continued in effect for that purpose.

3 SECTION 3. This Act takes effect September 1, 2023.