

## **BILL ANALYSIS**

Senate Research Center

H.B. 718  
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Education K-16  
5/6/2025  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Currently, private entities that have pending action or liens for nonpayment of a contractor, subcontractor, or vendor are not prohibited from partnering with public institutions of higher education in Texas for the construction of student housing facilities. The bill author has informed the committee that there are bad actors among student housing developers whose failure to pay at the end of the project is a practice, and they are bolstered by the fact that the institutions are in such desperate need of housing that the revenue from the project will not be impacted once certificate of occupancy is received. H.B. 718 seeks to purge bad actors from the process and strengthen opportunities for good contractors by prohibiting a public institution of higher education from partnering with certain private entities for the construction of a student housing facility.

H.B. 718 amends current law relating to prohibiting a public institution of higher education from partnering with certain private entities for the construction of a student housing facility.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter Z, Chapter 51, Education Code, by adding Section 51.9273, as follows:

Sec. 51.9273. CERTAIN PARTNERSHIPS TO CONSTRUCT STUDENT HOUSING FACILITIES PROHIBITED. (a) Defines "institution of higher education."

(b) Prohibits an institution of higher education from entering into a contract to partner with a private entity to construct a student housing facility if the entity has a pending action or lien against the entity or entity's property relating to a claim for nonpayment of a contractor, subcontractor, or vendor. Provides that this section does not apply to a claim for nonpayment if the entity has provided a payment bond to cover the claim.

SECTION 2. Makes application of Section 51.9273, Education Code, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2025.