

BILL ANALYSIS

H.B. 718
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Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, private entities who 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.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 718 amends the Education Code to prohibit a public 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. The bill applies only to a contract entered into on or after the bill's effective date. A contract entered into before the bill's effective date is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.