

## **BILL ANALYSIS**

Senate Research Center

H.B. 3005  
By: Gervin-Hawkins; Lujan (Campbell)  
Business & Commerce  
5/21/2025  
Engrossed

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

The bill author has informed the committee that ongoing audits of certain public work construction projects are counter to the purpose of the Texas Prompt Payment Act, effectively negating the payments agreed upon under contract, delaying the release of retainage already earned by contractors, and making contractors act as financiers of public projects. H.B. 3005 seeks to clarify that audits on construction projects for public works are subject to the Texas Prompt Payment Act by excluding from a bona fide and good faith dispute an audit that continues for more than 60 days after the project's substantial completion.

H.B. 3005 amends current law relating to the payment of funds under certain construction contracts.

### **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 Section 2251.002, Government Code, by adding Subsection (c) to provide that, for purposes of Chapter 2251 (Payment For Goods and Services), a bona fide dispute with respect to a contract for the construction of a public work does not include an audit of the public work project that continues for more than 60 days after the date of the substantial completion of the project.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2025.