

BILL ANALYSIS

Senate Research Center
89R17014 MCK-F

C.S.S.B. 925
By: Hancock
Business & Commerce
3/4/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law states that governmental entities awarding public work contracts funded with state funds may not discriminate against a person bidding for the contract based on their agreements with collective bargaining organizations nor require them to be in association with these organizations. This allows for a competitive, open market regardless of group affiliation. However, many local governments are still requiring these specific agreements on public work contracts funded through other public funding, such as local tax dollars, user fees, federal funds, etc.

S.B. 925 would expand the prohibition on discriminating based on labor agreements for public contract work to include local governmental money, governmentally administered financial assistance, money from ratepayers, or money from user fees. Such preferences place the state in a position of picking winners and losers in decisions not based upon the most efficient cost or the most competent labor in the execution of government contracts.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 925 amends current law relating to certain agreements with collective bargaining organizations related to certain publicly funded public work 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 Sections 51.7761(a) and (b), Education Code, as follows:

(a) Defines "collective bargaining organization," "federal match program," and "governmentally administered financial assistance."

(b) Prohibits an institution awarding a public work contract funded wholly or partly with state, local governmental, or federal money, including money provided through a federal match program, governmentally administered financial assistance, or the issuance of debt guaranteed by this state or a local governmental entity, with money from ratepayers, or with money from user fees, from performing certain actions, including giving preference to or discriminating against a person bidding on the public work contract based on the person's involvement in an agreement with a collective bargaining agreement relating to the project.

SECTION 2. Amends Section 2269.0541, Government Code, by amending Subsection (a) and adding Subsection (a-1), as follows:

(a) Defines "collective bargaining organization," "federal match program," and "governmentally administered financial assistance."

(a-1) Creates this subsection from existing text. Prohibits a governmental entity awarding a public work contract funded wholly or partly with state, local governmental, or federal money, including money provided through a federal match program, governmentally administered financial assistance, or the issuance of debt guaranteed by this state or a local governmental entity, with money from ratepayers, or with money from user fees, from performing certain actions, including giving preference to or discriminating against a person bidding on the public work contract based on the person's involvement in a collective bargaining agreement.

SECTION 3. Makes application of Section 51.7761, Education Code, and Section 2269.0541, Government Code, as amended by this Act, prospective.

SECTION 4. Effective date: September 1, 2025.