1   AN ACT

2   relating to prohibiting a public institution of higher education

3   from partnering with certain private entities for the construction

4   of a student housing facility.

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

6   SECTION 1. Subchapter Z, Chapter 51, Education Code, is

7   amended by adding Section 51.9273 to read as follows:

8   Sec. 51.9273. CERTAIN PARTNERSHIPS TO CONSTRUCT STUDENT

9   HOUSING FACILITIES PROHIBITED. (a) In this section, "institution

10   of higher education" has the meaning assigned by Section 61.003.

11   (b) An institution of higher education may not enter into a

12   contract to partner with a private entity to construct a student

13   housing facility if the entity has a pending action or lien against

14   the entity or entity's property relating to a claim for nonpayment

15   of a contractor, subcontractor, or vendor. This section does not

16   apply to a claim for nonpayment if the entity:

17   (1) has provided a payment bond to cover the claim; or

18   (2) contests in good faith the validity or accuracy of

19   the claim.

20   SECTION 2. Section 51.9273, Education Code, as added by

21   this Act, applies only to a contract entered into on or after the

22   effective date of this Act. A contract entered into before the

23   effective date of this Act is governed by the law in effect on the

24   date the contract was entered into, and the former law is continued

1 in effect for that purpose.

2   SECTION 3.   This Act takes effect September 1, 2025.

_____   _____
            President of the Senate   Speaker of the House

    I certify that H.B. No. 718 was passed by the House on April 30, 2025, by the following vote: Yeas 131, Nays 6, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 718 on May 30, 2025, by the following vote: Yeas 136, Nays 0, 2 present, not voting.

_____
            Chief Clerk of the House

    I certify that H.B. No. 718 was passed by the Senate, with amendments, on May 28, 2025, by the following vote: Yeas 31, Nays 0.

_____
            Secretary of the Senate

APPROVED: _____
                    Date

_____
            Governor