

By: Dean

H.B. No. 5331

A BILL TO BE ENTITLED

AN ACT

relating to the content of certain contracts entered into by governmental entities.

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

SECTION 1. Section 2054.603, Government Code, is amended by adding Subsection (e) to read as follows:

(e) Contract language in a cybersecurity insurance contract or other contract for goods or services prohibiting or restricting a state agency's or local government's compliance with this section or otherwise circumventing the requirements of this section is void and unenforceable.

SECTION 2. Section 2252.909, Government Code, as added by Chapter 1008 (H.B. 2518), Acts of the 88th Legislature, Regular Session, 2023, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) Except as provided by Subsection (b-1), a [A] lease between a governmental entity and another person regarding public property must contain lease terms requiring the person to:

(1) include in each contract for the construction, alteration, or repair of an improvement to the leased property a condition that the contractor:

(A) execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code; and

(B) execute a performance bond in an amount equal

1 to the amount of the contract for the protection of the governmental
2 entity and conditioned on the faithful performance of the
3 contractor's work in accordance with the plans, specifications, and
4 contract documents; and

5 (2) provide to the governmental entity a notice of
6 commencement consistent with this section at least 90 days before
7 the date the construction, alteration, or repair of any improvement
8 to the leased property begins.

9 (b-1) The requirement that a lease must contain a term
10 requiring notice of commencement to a governmental entity under
11 Subsection (b)(2) does not apply to a lease between an institution
12 of higher education, as defined by Section 61.003, Education Code,
13 and another person regarding public property.

14 SECTION 3. Section 2054.603(e), Government Code, as added
15 by this Act, is intended to clarify rather than change existing law.

16 SECTION 4. Section 2252.909, Government Code, as amended by
17 this Act, applies only to a lease between a governmental entity and
18 another person regarding public property that is entered into on or
19 after September 1, 2025.

20 SECTION 5. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2025.