

By: Bell of Kaufman

H.B. No. 5435

A BILL TO BE ENTITLED

AN ACT

relating to required lease terms for public property leased to a nongovernmental entity.

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

SECTION 1. Sections 2252.909(a) and (b), Government Code, as added by Chapter 1008 (H.B. 2518), Acts of the 88th Legislature, Regular Session, 2023, are amended to read as follows:

(a) In this section:

(1) "Emergency" means a sudden, urgent occurrence that requires immediate action.

(2) "Governmental [~~governmental~~]" entity" has the meaning assigned by Section 2253.001.

(b) 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) if the contract meets the description in Section 2253.021(a)(2)(A) or (B), execute a payment bond that conforms to Subchapter I, Chapter 53, Property Code; and

(B) if the contract meets the description in Section 2253.021(a)(1), execute a performance bond in an amount equal to the amount of the contract for the protection of the

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

4 (2) provide to the governmental entity a notice of
5 commencement consistent with this section:

6 (A) at least 90 days before the date the
7 construction, alteration, or repair of any improvement to the
8 leased property begins; or

9 (B) in the event of an emergency, at least 30 days
10 before the date the construction, alteration, or repair of any
11 improvement to the leased property begins.

12 SECTION 2. The change in law made by this Act applies only
13 to a lease between a governmental entity and another person
14 regarding public property that is entered into on or after the
15 effective date of this Act.

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