



TEXO 86th Legislative Session Review

The 86th Legislative Session ended on May 27 and turned out to be one of the most successful sessions for the construction industry in multiple ways.

Throughout the session, a total of 7,324 bills were filed by legislators with 1,429 bills passed into law. During the final week of the session, 1,000 of the 1,429 bills were approved.

The following is a brief summary of several of the new laws that will have an impact on TEXO members.

HB 985

HB985 has been a priority bill for TEXO and the ABC of Texas during the previous three legislative sessions (6 years) and this session our eighth year the bill was finally passed into law. HB985 prevents government entities from requiring or prohibiting pre-hire collective bargaining agreements on construction projects using state money or state credit for universities, state buildings, and most school buildings. **Law becomes effective September 1, 2019.**

HB 1734

HB1734 requires school construction defect settlement dollars to be spent on repairing the defects. School districts that bring an action for defective design or construction on a project that was financed by bonds are now required to provide written notice to the Texas Education Agency Commissioner within 30 days of its filing. The notice must be specific detailed information about the nature of the suit. Then, upon recovery of any damages from the suit, the plaintiff entity must use the proceeds for the repair or replacement of the facility. Any failure to follow the requirement could result in the Texas Attorney General suing the school district plaintiff to enforce this new law. This new law imposes a higher burden on an ISD involved in litigation than used to exist. A major win for the design and construction industry. **Law becomes effective September 1, 2019.**

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HB2826

HB2826 requires local governments to procure contingency fee lawyers like normal professional services: in a public meeting; not behind closed doors; vote by board; must select most qualified; must make a public statement about reason for hiring. The governmental entity must also disclose why it can't use in-house counsel or pay hourly, and must disclose all the reasons why the contingency fee arrangement is in the best interest of the entity and its taxpayers. Then, the contract must be submitted to the Texas attorney general for approval. This bill was passed due to the overuse of contingency fee attorney by certain political subdivisions. **Law becomes effective September 1, 2019.**

HB1999

HB1999 imposes new rules on governmental entities asserting construction liability claims. Before suing a contractor or A/E for defects on a commercial building project, the owner must give a detailed written report of the defects to the contractors, architects, and engineers who then have 30 days to inspect the defects and 120 days to repair the defects. If the government entity does not follow the requirements spelled out in the new law before asserting a claim against the general contractor, design professional, or even a subcontractor, the claim is subject to dismissal. Another big win for TEXO members, and the **law became effective on June 14, 2019.**

The success achieved during the legislative session was due to many factors which included TEXO member support in the form of testifying for our bills in the capitol and contacting their representative to go on the record to express a position for or against specific legislation.

As we now turn our attention to an election year in 2020, it will be vitally important to maintain the great Texas House and Senate representatives we have worked diligently to get elected over the years.

We cannot afford to lose the champions of our industry in the legislature, and the way we work to avoid defeat is by having a strong TEXO PAC (Political Action Committee). To learn how you can join in to secure our industry in the legislative process, [click here](#).

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