

By: Bell of Kaufman, Leach, Cyrier,
Romero, Jr., Raymond

H.B. No. 1476

A BILL TO BE ENTITLED

AN ACT

relating to a vendor's remedies for nonpayment of a contract with
this state or a political subdivision of this state.

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

SECTION 1. Section 2251.042, Government Code, is amended by
amending Subsection (a) and adding Subsection (d) to read as
follows:

(a) A governmental entity shall notify a vendor of an error
or disputed amount in an invoice submitted for payment by the vendor
not later than the 21st day after the date the entity receives the
invoice, and shall include in such notice a detailed statement of
the amount of the invoice which is disputed.

(d) The governmental entity may withhold from payments
required no more than 110 percent of the disputed amount.

SECTION 2. Section 2251.042, Government Code, as amended by
this Act, applies only to a contract entered into on or after the
effective date of this Act. A contract entered into before that date
is governed by the law in effect on the date the contract was
entered into, and the former law is continued in effect for that
purpose.

SECTION 3. This Act takes effect September 1, 2021.