

AN ACT

relating to liability of certain municipal hospital authorities under a contract for the sale of a hospital.

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

SECTION 1. Subchapter C, Chapter 262, Health and Safety Code, is amended by adding Section 262.0335 to read as follows:

Sec. 262.0335. LIABILITY OF CERTAIN MUNICIPAL HOSPITAL AUTHORITIES UNDER CONTRACT FOR SALE OF HOSPITAL. (a) This section applies only to a municipal hospital authority wholly located in a county with a population of less than 70,000.

(b) A municipal hospital authority that enters into a contract to sell a hospital owned by the authority waives governmental immunity to suit for the purpose of adjudicating a claim for breach of the contract.

(c) For a breach of contract claim described by Subsection (b), a claimant may not be awarded:

(1) a total amount that exceeds the amount due and owed by the municipal hospital authority under the contract; or

(2) consequential or exemplary damages.

(d) A municipal hospital authority that enters into a contract to sell a hospital owned by the authority may indemnify the purchaser of the hospital according to the terms of the contract.

SECTION 2. The change in law made by this Act applies only to a contract entered into on or after the effective date of this

1 Act.

2 SECTION 3. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1097 passed the Senate on
April 20, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1097 passed the House on
May 9, 2023, by the following vote: Yeas 133, Nays 9, two present
not voting.

Chief Clerk of the House

Approved:

Date

Governor