

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION**

**April 25, 2003**

**TO:** Honorable Kenny Marchant, Chair, House Committee on State Affairs

**FROM:** John Keel, Director, Legislative Budget Board

**IN RE: HB2397** by Corte (Relating to a vendor's or subcontractor's remedy for nonpayment of certain contracts.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code by allowing a vendor to suspend performance of a contract if the governmental entity failed to pay an undisputed amount within the time limits provided. Any governmental entity that claims that there is a good faith dispute must notify the vendor with specificity and provide an opportunity to cure.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 601 Department of Transportation, 302 Office of the Attorney General, 303 Building and Procurement Commission

**LBB Staff:** JK, RR, MS, RG