

By: Chisum

H.B. No. 1330

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a dispute resolution program for state building construction contracts.

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

SECTION 1. Chapter 2166, Government Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. DISPUTE RESOLUTION

Sec. 2166.601. DEFINITION. In this subchapter, "contractor" includes a design professional, subcontractor, and vendor.

Sec. 2166.602. APPLICATION OF SUBCHAPTER. This subchapter applies to all building construction projects of the state, including projects otherwise exempted from all or part of this chapter under Section 2166.003.

Sec. 2166.603. CONSTRUCTION WITH OTHER LAW. This subchapter does not apply to a claim for breach of contract to which Chapter 2260 applies.

Sec. 2166.604. DISPUTE RESOLUTION PROGRAM. (a) The commission by rule shall develop and implement a dispute resolution program for use by contractors and state agencies to resolve disputes arising under a contract for a building construction project. In developing the dispute resolution program, the commission shall consider the size, scope, and complexity of the construction projects included in the program.

1 (b) The program must:

2 (1) encourage the prevention and avoidance of
3 construction project disputes;

4 (2) promote collaborative problem solving; and

5 (3) provide for the use of neutral third party
6 facilitators and mediators to reach final and binding resolutions
7 to disputes in a prompt, fair, and efficient manner.

8 (c) The commission shall contract with a dispute resolution
9 organization or a construction dispute resolution professional to
10 design, implement, and administer the program created under this
11 subchapter.

12 Sec. 2166.605. REQUIRED PROVISION IN BUILDING CONSTRUCTION
13 PROJECT CONTRACT. Each state agency shall include as a term of a
14 building construction project contract, including a contract for
15 the design of a building construction project, a provision stating
16 that the program created under this subchapter must, when
17 applicable, be used to resolve a dispute arising under the
18 contract.

19 SECTION 2. Subchapter M, Chapter 2166, Government Code, as
20 added by this Act, applies only to a contract that was entered into
21 on or after the effective date of this Act. A contract entered into
22 before the effective date of this Act is governed by the law
23 applicable to the contract immediately before the effective date of
24 this Act, and that law is continued in effect for that purpose.

25 SECTION 3. This Act takes effect September 1, 2005.