

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 10, 2007

TO: Honorable Byron Cook, Chair, House Committee on Civil Practices

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB3054 by Corte, Frank (Relating to the adjudication of claims arising under written contracts with local governmental entities.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to limit the total amount of money that could be awarded in an adjudication brought against a local governmental entity for breach of a contract involving the provision of services by the entity or a contract described by Section 271.151(2)(B)-(F).

The bill would apply to a claim that arises under a contract executed before the effective date of the bill only if sovereign immunity from suit and from liability has not been waived regarding the claim prior to the effective date of the bill. The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

The impact to a local governmental entity would vary depending on the number of such suits brought against and lost by the entity; however, it is anticipated that placing limits would keep the costs lower than they would be otherwise.

Source Agencies:

LBB Staff: JOB, MN, DB