

By: Bonnen

H.B. No. 2533

A BILL TO BE ENTITLED

AN ACT

relating to damages to affected business entities for project completion delays on highway projects.

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

SECTION 1. Subchapter A, Chapter 223, Transportation Code, is amended by adding Section 223.0125 to read as follows:

Sec. 223.0125. PAYMENT TO AFFECTED BUSINESS ENTITIES. (a) The schedule under Section 223.012(a) must provide for liquidated damages to be paid by a contractor to business entities located in a project area that are adversely affected by project completion delays. The department shall:

(1) incorporate the schedule as part of each contract awarded by the commission for a highway construction project;

(2) require a business entity to submit a claim to the department before the entity may be eligible for the damages; and

(3) collect and send the damages to the entity as provided by the schedule.

(b) The department holds damages paid by a contractor under this section in trust for the benefit of a business entity that is adversely affected. The money used to pay damages under this section is held by the department outside the treasury and is administered and disbursed by the department without an appropriation.

(c) The department shall adopt rules to implement this

1 section.

2 (d) The state auditor shall annually conduct an audit of the
3 department's compliance with this section and report the results of
4 the audit to the legislature not later than November 1 of each year.

5 SECTION 2. This Act takes effect September 1, 2009.