

By: Kleinschmidt

H.B. No. 345

A BILL TO BE ENTITLED

AN ACT

relating to limitations on awards in an adjudication brought against a local governmental entity for breach of contract.

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

SECTION 1. Section 271.153(a), Local Government Code, is amended to read as follows:

(a) The total amount of money awarded in an adjudication brought against a local governmental entity for breach of a contract subject to this subchapter is limited to the following:

(1) the balance due and owed by the local governmental entity under the contract as it may have been amended, including any amount owed as compensation for the increased cost to perform the work as a direct result of owner-caused delays or acceleration;

(2) the amount owed for change orders or additional work the contractor is directed to perform by a local governmental entity in connection with the contract;

(3) reasonable and necessary attorney's fees that are equitable and just; and

(4) interest as allowed by law, including interest for a disputed payment as provided by Section 2251.042, Government Code.

SECTION 2. The change in law made by this Act applies only to an adjudication commenced on or after the effective date of this Act. An adjudication commenced before the effective date of this

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1 Act is governed by the law applicable to the adjudication
2 immediately before the effective date of this Act, and the former
3 law is continued in effect for that purpose.

4 SECTION 3. This Act takes effect September 1, 2011.