

By: Ritter

H.B. No. 3511

A BILL TO BE ENTITLED

AN ACT

relating to the adjudication of claims arising under certain written contracts with local governmental entities.

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

SECTION 1. Section 271.151(2), Local Government Code, is amended to read as follows:

(2) "Contract subject to this subchapter" means:

(A) a written contract stating the essential terms of the agreement for providing goods or services to the local governmental entity that is properly executed on behalf of the local governmental entity; or

(B) a written contract, including a right of first refusal, regarding the sale or delivery of not less than 1,000 acre-feet of reclaimed water by a local governmental entity intended for industrial use.

SECTION 2. Section 271.153, Local Government Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) Except as provided by Subsection (c), the ~~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

1 amount owed as compensation for the increased cost to perform the
2 work as a direct result of owner-caused delays or acceleration;

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

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

8 (4) interest as allowed by law, including interest as
9 calculated under Chapter 2251, Government Code.

10 (c) Actual damages, specific performance, or injunctive
11 relief may be granted in an adjudication brought against a local
12 governmental entity for breach of a contract described by Section
13 271.151(2)(B).

14 SECTION 3. The changes in law made by this Act apply to a
15 claim that arises under a contract executed on or after the
16 effective date of this Act. A claim that arises under a contract
17 executed before the effective date of this Act is governed by the
18 law in effect on the date the contract was executed, and the former
19 law is continued in effect for that purpose.

20 SECTION 4. This Act takes effect immediately if it receives
21 a vote of two-thirds of all the members elected to each house, as
22 provided by Section 39, Article III, Texas Constitution. If this
23 Act does not receive the vote necessary for immediate effect, this
24 Act takes effect September 1, 2013.