

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 23, 2015

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2049 by Darby (Relating to indemnification and duties of engineers and architects under certain governmental contracts.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to specify a covenant in connection with a contract for certain services, which a governmental agency is a party, is void if the covenant provides that a licensed individual must defend a party over certain claims. The bill would permit certain governmental contracts for architectural or engineering services to include reimbursement of a governmental agency's attorney's fees and include the governmental entity as an additional insured under the engineer's or architect's liability insurance policy. The bill would require a contract for certain services with a governmental entity to require a license engineer or registered architect to perform certain services.

The Office of Court Administration reported no significant fiscal impact to the state court system is anticipated.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

LBB Staff: UP, CL, SD, EK