

AN ACT

relating to certain limitations on settlement agreements with a governmental unit.

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

SECTION 1. Title 5, Civil Practice and Remedies Code, is amended by adding Chapter 116 to read as follows:

CHAPTER 116. SETTLEMENT OF CLAIM OR ACTION AGAINST GOVERNMENTAL UNIT

Sec. 116.001. DEFINITION. In this chapter, "governmental unit" has the meaning assigned by Section 101.001.

Sec. 116.002. CERTAIN SETTLEMENT TERMS PROHIBITED. (a) A governmental unit may not enter into a settlement of a claim or action against the governmental unit in which:

(1) the amount of the settlement is equal to or greater than \$30,000;

(2) the money that would be used to pay the settlement is:

(A) derived from taxes collected by a governmental unit;

(B) received from the state; or

(C) insurance proceeds received from an insurance policy for which the premium was paid with taxes collected by a governmental unit or money received from the state;

and

1 (3) a condition of the settlement requires a party
2 seeking affirmative relief against the governmental unit to agree
3 not to disclose any fact, allegation, evidence, or other matter to
4 any other person, including a journalist or other member of the
5 media.

6 (b) A settlement agreement provision entered into in
7 violation of Subsection (a) is void and unenforceable.

8 Sec. 116.003. EFFECT OF CHAPTER. This chapter does not
9 affect information that is privileged or confidential under other
10 law.

11 SECTION 2. The change in law made by this Act applies only
12 with respect to a claim or action that is based on a cause of action
13 that accrues on or after the effective date of this Act.

14 SECTION 3. This Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 53 was passed by the House on April 26, 2017, by the following vote: Yeas 148, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 53 was passed by the Senate on May 19, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor