

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 21, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB1999** by Leach (Relating to certain construction liability claims concerning public buildings and public works.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would add Government Code, Chapter 2272, relating to certain construction liability claims. Provisions of the bill would apply to claims for real or personal property damages caused by alleged construction defects as asserted by the public entity affected by the construction defect against a contractor and would exclude claims involving personal injury, claims involving residential property, Texas Department of Transportation contracts, projects receiving money from state or federal highway funds, or certain civil works projects.

Provisions of the bill would require an inspection and report by a licensed engineer identifying the defect, current physical condition of the affected improvements, and descriptions of any modifications or maintenance made by the government entity before a governmental entity brings action asserting a claim. The bill would allow the government entity to recover report costs if the report identifies a construction defect that is either corrected or for which the entity recovers damages.

Local Government Impact

According to the Texas Association of Counties, the bill would have a fiscal impact on counties, but that cost cannot be determined at this time. Additional costs incurred from the bill would depend on the number of contested liability claims, and be incurred only on an as-needed, case-by-case basis.

Source Agencies: 303 Facilities Commission, 454 Department of Insurance, 720 The University of Texas System Administration, 802 Parks and Wildlife Department, 808 Historical Commission

LBB Staff: WP, SD, CMa, BRi, SLE, JQ, AF, LCO, TBo, CP, JMO