

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 27, 2019

TO: Honorable Joan Huffman, Chair, Senate Committee on State Affairs

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

IN RE: SB27 by Hughes (relating to recovery of damages, attorney's fees, and costs related to frivolous claims and regulatory actions by state agencies.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Civil Practice and Remedies Code to place a \$1 million cap on the recovery of fees, expenses, and attorney's fees for frivolous claims in suits involving regulatory actions by state agencies. The bill would limit awards to actions determined to be "frivolous" by removing the existing alternate criteria of "unreasonable" and "without foundation." The bill would create a similar authorization for an administrative law judge or reviewing court to award up to \$1 million for costs and attorney's fees in a contested case or suit for judicial review involving a regulatory action determined to be frivolous.

The Office of Court Administration and Office of the Attorney General have indicated there would be no significant fiscal impact. Both agencies anticipate any additional work resulting from passage of the bill could reasonably be absorbed within current resources.

Local Government Impact

According to the Texas Association of Counties, no fiscal implication to counties is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

LBB Staff: WP, CW, CMa, JPU, AF