

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION

March 27, 2021

TO: Honorable Jeff Leach, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1418 by Leach (relating to civil liability and responsibility for the consequences of defects in the plans, specifications, or related documents for the construction or repair of an improvement to real property.), **Committee Report 1st House, Substituted**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Business and Commerce Code to limit a contractor from liability related to the accuracy, adequacy, sufficiency, or suitability of plans, specifications, or other design or bid documents provided to the contractor by the person with whom the contractor entered into the contract or another person on behalf of the person with whom the contractor entered into the contract. A contractor would be required to disclose in writing to the person with whom the contractor enters into a contract the existence of any known defect in the plans, specifications, or other design or bid documents discovered by the contractor before or during construction.

The bill would amend the Business and Commerce Code to make the subchapter on contractor responsibility inapplicable to certain contracts for the construction or repair of certain critical infrastructure facilities and makes the new chapter as a whole inapplicable to the construction, repair, alteration, or remodeling of certain improvements to real property.

The bill would amend the Civil Practice and Remedies Code to provide that a construction contract for architectural or engineering services or a contract related to the construction or repair of an improvement to real property that contain certain services as a component part must require the services be performed with the professional skill and care ordinarily provided by competent architects or engineers practicing under the same or similar circumstances and professional license.

Based on information provided by the Office of Court Administration, Texas Facilities Commission, General Land Office, Texas Department of Transportation, Texas Department of Criminal Justice, and Texas Parks and Wildlife Department, it is assumed that any costs, duties, and responsibilities associated with implementing the provisions of the bill could be accomplished utilizing existing resources. In addition, no significant fiscal impact to the state court system is anticipated due to the implementation of the bill.

Local Government Impact

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

Source Agencies: 212 Office of Court Admin

LBB Staff: JMc, SLE, MW, BH, SMAT