

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**March 13, 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.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Business and Commerce Code to add a chapter related to a contract for the construction, repair or improvement to real property. The chapter would 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 Government Code to prevent a governmental entity from requiring in a contract for certain architectural or engineering services that the services be performed to a level of professional skill and care beyond that which would be provided by an ordinarily prudent architect or engineer with the same professional license under the same or similar circumstances.

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, 303 Facilities Commission, 305 General Land Office, 601 Department of Transportation, 696 Department of Criminal Justice, 802 Parks and Wildlife Department

**LBB Staff:** JMc, SLE, MW, BH, SMat