

A BILL TO BE ENTITLED

AN ACT

relating to the award of compensatory damages caused by certain delays under governmental construction contracts.

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

SECTION 1. Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.909 to read as follows:

Sec. 2252.909. LIMITATION OF COMPENSATORY DAMAGES CAUSED BY GOVERNMENTAL DELAYS IN CONSTRUCTION CONTRACTS PROHIBITED. (a) In this section:

(1) "Contractor" means a person engaged in the business of developing, constructing, fabricating, repairing, altering, or remodeling improvements to real property.

(2) "Governmental entity" means:

(A) the state;

(B) a municipality, county, public school district, or special-purpose district or authority;

(C) a district, county, or justice of the peace court;

(D) a board, commission, department, office, or other agency in the executive branch of state government, including an institution of higher education as defined by Section 61.003, Education Code;

(E) the legislature or a legislative agency; or

(F) the Supreme Court of Texas, the Texas Court

1 of Criminal Appeals, a court of appeals, or the State Bar of Texas
2 or another judicial agency having statewide jurisdiction.

3 (b) A construction contract between a governmental entity
4 and a contractor may not prohibit or limit the award of compensatory
5 damages to the contractor for a delay caused solely by the
6 governmental entity.

7 (c) This section may not be waived. A purported waiver of
8 this section in violation of this subsection is void.

9 SECTION 2. Section 2252.909, Government Code, as added by
10 this Act, applies only to a construction contract entered into on or
11 after the effective date of this Act.

12 SECTION 3. This Act takes effect September 1, 2023.