

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION**

**May 16, 2023**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB2265** by Leach (Relating to the award of compensatory damages caused by certain delays under governmental construction contracts.), **As Engrossed**

The fiscal implications of this bill cannot be determined at this time.

The bill could lead to compensatory damages resulting from delays caused by a state agency. However, it is not possible to predetermine the frequency of delays that might be caused by government agencies or predict any costs if an agency were to become involved in a related suit.

The bill would prohibit a governmental entity from limiting compensatory damages for a contractor for a delay caused solely by the governmental entity in certain circumstances.

Some agencies stated that the bill could result in potential costs if an agency or institution of higher education were to become involved in a suit related to the bill's requirements. However, the extent of those potential costs is unknown.

**Local Government Impact**

The fiscal implications of the bill cannot be determined at this time.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 242 State Commission on Judicial Conduct, 304 Comptroller of Public Accounts, 320 Texas Workforce Commission, 352 Bond Review Board, 452 Department of Licensing and Regulation, 503 Texas Medical Board, 529 Health and Human Services Commission, 582 Commission on Environmental Quality, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 781 Higher Education Coordinating Board

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