

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 27, 2023

TO: Honorable Todd Hunter, Chair, House Committee on State Affairs

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 Introduced**

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.

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.

With respect to administrative costs associated with incorporating the bill's requirements into contract language, this analysis assumes such costs could be reasonably absorbed within the agency's existing resources.

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, 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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