

BILL ANALYSIS

Senate Research Center
80R4170 AJA-D

H.B. 1268
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Currently, government entities are able to recover attorney's fees from lawsuits with contractors. However, contractors do not have the same ability to recoup those fees. As a result governmental entities are more likely to use court action before other options.

H.B. 1268 prohibits a governmental contract from providing for the award of attorney's fees to the governmental entity in a dispute in which the entity prevails unless each other party to the contract is awarded such fees if the party prevails in a dispute.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter Z, Chapter 2252, Government Code, by adding Section 2252.904, as follows:

Sec. 2252.904. ATTORNEY'S FEES. (a) Defines "governmental contract" and "governmental entity."

(b) Prohibits a governmental contract from providing for the award of attorney's fees to the governmental entity in a dispute in which the entity prevails unless the contract provides for such an award to each other party to the contract if that party prevails in the dispute.

(c) Provides that a contract provision that violates this section is void and unenforceable.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.