

BILL ANALYSIS

H.B. 1124
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Judiciary & Civil Jurisprudence
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Stakeholders point out that governmental entities are typically immune from suit under the doctrine of sovereign immunity but that state law authorizes suits against governmental entities to recover damages for breaches of certain service contracts. The stakeholders contend that there are inconsistencies among statutory provisions that govern these types of contracts and breaches of the contracts. H.B. 1124 addresses these inconsistencies.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1124 amends the Civil Practice and Remedies Code, in regard to a statutory provision establishing applicability for the adjudication of certain breach of contract claims arising under written contracts with state agencies in which the amount in controversy is not less than \$250,000, to remove this restriction on the amount in controversy. The bill, for the purposes of such a claim for breach of contract for which a state agency, under applicable state law, waives sovereign immunity to suit, removes a specification that the claim is for a breach of an express provision of the contract.

H.B. 1124, regarding an adjudication brought against a state agency for breach of a contract, revises certain of the statutory provisions that set out the sources of money to which the total amount of money awarded is limited as follows:

- regarding the amount of the balance due and owed by a state agency under a contract as it may have been amended, including any amount owed as compensation for the increased cost to perform the work as a direct result of owner-caused delays or acceleration, removes the condition that the contract expressly provides for that compensation;
- regarding the amount owed for written change orders, removes the specification that the change orders are written and expands the source of the amount owed to include the amount owed for additional work the contractor is directed to perform by a state agency in connection with the contract;
- regarding the amount for reasonable and necessary attorney's fees, removes a provision establishing that the fees are based on an hourly rate and are equitable and just if the contract expressly provides that the recovery of attorney's fees is available to all parties to the contract but retains the specification that the fees are equitable and just.

H.B. 1124 clarifies that consequential damages awarded in such an adjudication that are expressly allowed under such revised limitations on adjudication awards are an exception to the prohibition against including consequential damages in an award.

EFFECTIVE DATE

September 1, 2015.