

SUBJECT: Waiver of sovereign immunity from certain suits by certain municipalities

COMMITTEE: Urban Affairs — committee substitute recommended

VOTE: 8 ayes — Y. Davis, Alvarado, Gutierrez, Kent, Mallory Caraway, Miklos, Pierson, C. Turner

0 nays

3 absent — C. Howard, Fletcher, Walle

WITNESSES: For — Robert Brady, City of Denison; (*Registered, but did not testify*: Jim McClure, City of Denison)

Against — None

DIGEST: CSHB 3557 would amend Local Government Code, ch. 272 to provide that if a municipality entered into a contract with a private entity for the sale of between 400 and 1,000 acres of land acquired from a United States agency, that municipality would waive sovereign immunity from suit for the purpose of adjudicating a claim for breach of contract.

A plaintiff who prevailed in such action against a municipality would be entitled only to specific performance of the terms of the contract, reasonable attorney's fees, and court costs.

This waiver would apply only to a home-rule municipality with a population of less than 30,000 located in a county with a population of less than 140,000.

The bill would take effect September 1, 2009, and would apply only to contracts entered into on or after that date.