

BILL ANALYSIS

Senate Research Center

S.B. 1786
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Jurisprudence
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As Filed

DIGEST

Currently, contractors are not allowed by law to file a claim against a unit of state government for breach of a project contract. A state agency can sue a contractor if the agency believes the contractor has breached the contract; however, the contractor is denied similar recourse. In recent years, state agencies have become more likely to violate contractual agreements. In addition, fewer contractors are applying for state jobs, and those contractors still bidding have translated their risks into higher bids. This bill will authorize contractors to file a claim against a unit of state government for breach of a project contract.

PURPOSE

As proposed, S.B. 1786 authorizes contractors to file a claim against a unit of state government for breach of a project contract.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 5, Civil Practice and Remedies Code, by adding Chapter 111, as follows:

CHAPTER 111. CONTRACT CLAIMS AGAINST THE STATE

Sec. 11.001. DEFINITION. Defines "unit of state government," "project contract," and "contractor."

Sec. 111.002. CLAIMS. Authorizes a contractor to make a claim against a unit of state government for a breach of a project claim. Sets forth procedures regarding a contractor's claim against a unit of state government.

Sec. 111.003. AWARDS. Sets forth regulations regarding an award based on a claim made under this chapter.

Sec. 111.04. SOVEREIGN IMMUNITY. Provides that the state waives its sovereign immunity to suit under common law only to the extent provided in this chapter.

Sec. 111.05. OTHER LAWS. Provides that Chapter 107 does not apply to a claim made under this chapter.

SECTION 2. Effective date: September 1, 1997.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Emergency clause.