

BILL ANALYSIS

Senate Research Center

H.B. 53
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State Affairs
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Settlement agreements entered into by governmental entities generally must be disclosed under the Public Information Act. However, settlement agreements with non-disclosure agreements often lack important details and give no indication of the basic accusations or facts. When a governmental entity enters into a settlement agreement paired with a non-disclosure agreement, the public's interest is adversely affected due to a lack of transparency regarding the basic allegations or facts of the case, even though taxpayer dollars are being used to investigate and prosecute the case and to pay the settlement.

H.B. 53 prohibits an attorney representing a state or local governmental unit from entering into a settlement over \$30,000 if a non-disclosure agreement is a condition of the settlement.

H.B. 53 amends current law relating to certain limitations on settlement agreements with a governmental unit.

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 Title 5, Civil Practice and Remedies Code, by adding Chapter 116, as follows:

CHAPTER 116. SETTLEMENT OF CLAIM OR ACTION AGAINST GOVERNMENTAL UNIT

Sec. 116.001. DEFINITION. Defines "governmental unit."

Sec. 116.002. CERTAIN SETTLEMENT TERMS PROHIBITED. (a) Prohibits a governmental unit from entering into a settlement of a claim or action against the governmental unit in which:

- (1) the amount of the settlement is equal to or greater than \$30,000;
- (2) the money that would be used to pay the settlement is derived from taxes collected by a governmental unit, received from the state, or insurance proceeds received from an insurance policy for which the premium was paid with taxes collected by a governmental unit or money received from the state; and
- (3) a condition of the settlement requires a party seeking affirmative relief against the governmental unit to agree not to disclose any fact, allegation, evidence, or other matter to any other person, including a journalist or other member of the media.

(b) Provides that a settlement agreement provision entered into in violation of Subsection (a) is void and unenforceable.

Sec. 116.003. EFFECT OF CHAPTER. Provides that this chapter does not affect information that is privileged or confidential under other law.

SECTION 2. Provides that the change in law made by this Act applies only with respect to a claim or action that is based on a cause of action that accrues on or after the effective date of this Act.

SECTION 3. Effective date: September 1, 2017.