SECTION 35. Sections 22.01 and 22.24, Tax Code, as amended by this Act, apply only to
the rendition of property for ad valorem tax purposes for a tax year that begins on or after
January 1, 2014.

SECTION 36. Section 23.02, Tax Code, as amended by this Act, applies to all properties
affected by a disaster as defined by Section 418.004, Government Code, that were appraised
as of January 1, 2013. Property affected by a disaster and appraised prior to January 1,
2013, is governed by the law in effect at that time.

SECTION 37. The change in law made by Section 23.23(g), Tax Code, as added by this
Act, applies only to the appraisal of a residence homestead for ad valorem tax purposes for a
tax year that begins on or after January 1, 2014.

SECTION 38. (a) Except as provided by Subsection (b) of this section:

1) this Act takes effect immediately if it receives a vote of two-thirds of all the members
elected to each house, as provided by Section 39, Article III, Texas Constitution; and

2) if this Act does not receive the vote necessary for immediate effect, this Act takes
effect September 1, 2013.

(b) Sections 1, 2, 3, 5, 6, 7, 8, 11, 12, 15, 21, 22, and 35 of this Act take effect January 1,
2014.

Passed by the House on May 3, 2013: Yeas 143, Nays 2, 2 present, not voting; the
House concurred in Senate amendments to H.B. No. 585 on May 24, 2013: Yeas
146, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May

Approved June 14, 2013.

Effective immediately except as provided by § 38(b).

CHAPTER 1260

H.B. No. 586

AN ACT

relating to the waiver of sovereign immunity for certain design and construction claims arising under
written contracts with state agencies.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Title 5, Civil Practice and Remedies Code, is amended by adding Chapter
114 to read as follows:

CHAPTER 114. ADJUDICATION OF CLAIMS ARISING UNDER
WRITTEN CONTRACTS WITH STATE AGENCIES

Sec. 114.001. DEFINITIONS. In this chapter:

1) "Adjudication" of a claim means the bringing of a civil suit and prosecution to final
judgment in county or state court.

2) "Contract subject to this chapter" means a written contract stating the essential
terms of the agreement for providing goods or services to the state agency that is properly
executed on behalf of the state agency. The term does not include a contract that is subject
to Section 201.112, Transportation Code.

3) "State agency" means an agency, department, commission, bureau, board, office,
council, court, or other entity that is in any branch of state government and that is created
by the constitution or a statute of this state, including a university system or a system of
higher education. The term does not include a county, municipality, court of a county or
municipality, special purpose district, or other political subdivision of this state.

Sec. 114.002. APPLICABILITY. This chapter applies only to a claim for breach of a
written contract for engineering, architectural, or construction services or for materials
related to engineering, architectural, or construction services brought by a party to the
written contract, in which the amount in controversy is not less than $250,000, excluding
penalties, costs, expenses, prejudgment interest, and attorney’s fees.

Sec. 114.003. WAIVER OF IMMUNITY TO SUIT FOR CERTAIN CLAIMS. A state
agency that is authorized by statute or the constitution to enter into a contract and that
enters into a contract subject to this chapter waives sovereign immunity to suit for the
purpose of adjudicating a claim for breach of an express provision of the contract, subject to
the terms and conditions of this chapter.

Sec. 114.004. LIMITATIONS ON ADJUDICATION AWARDS. (a) The total amount of
money awarded in an adjudication brought against a state agency for breach of an express
provision of a contract subject to this chapter is limited to the following:

(1) the balance due and owed by the state agency under the 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 if the contract expressly
provides for that compensation;

(2) the amount owed for written change orders;

(3) reasonable and necessary attorney’s fees based on an hourly rate that are equitable
and just if the contract expressly provides that recovery of attorney’s fees is available to all
parties to the contract; and

(4) interest at the rate specified by the contract or, if a rate is not specified, the rate for
postjudgment interest under Section 304.003(c), Finance Code, but not to exceed 10
percent.

(b) Damages awarded in an adjudication brought against a state agency arising under a
contract subject to this chapter may not include:

(1) consequential damages;

(2) exemplary damages; or

(3) damages for unabsorbed home office overhead.

Sec. 114.005. CONTRACTUAL ADJUDICATION PROCEDURES ENFORCEABLE. Adjudication procedures, including requirements for serving notices or engaging in alterna-
tive dispute resolution proceedings before bringing a suit or an arbitration proceeding, that
are stated in the contract subject to this chapter or that are established by the state agency
and expressly incorporated into the contract are enforceable, except to the extent those
procedures conflict with the terms of this chapter.

Sec. 114.006. NO WAIVER OF OTHER DEFENSES. This chapter does not waive a
defense or a limitation on damages available to a party to a contract, other than a bar
against suit based on sovereign immunity.

Sec. 114.007. NO WAIVER OF IMMUNITY TO SUIT IN FEDERAL COURT. This
chapter does not waive sovereign immunity to suit in federal court.

Sec. 114.008. NO WAIVER OF IMMUNITY TO SUIT FOR TORT LIABILITY. This
chapter does not waive sovereign immunity to a claim arising from a cause of action for
negligence, fraud, tortious interference with a contract, or any other tort.

Sec. 114.009. EMPLOYMENT CONTRACTS EXEMPT. This chapter does not apply to
an employment contract between a state agency and an employee of that agency.

Sec. 114.010. VENUE. A suit under this chapter may be brought in a district court in:

(1) a county in which the events or omissions giving rise to the claim occurred; or

(2) a county in which the principal office of the state agency is located.

Sec. 114.011. LIMITATION ON REMEDIES. Satisfaction and payment of any judg-
ment under this chapter may not be paid from funds appropriated to the state agency from
general revenue unless the funds are specifically appropriated for that purpose. Property of
the state or any agency, department, or office of the state is not subject to seizure,
attachment, garnishment, or any other creditors’ remedy to satisfy a judgment taken under
this chapter.
Sec. 114.012. EXCLUSIVE REMEDY. A claim to which this chapter applies may not be brought under Chapter 2260, Government Code, against the state or a unit of state government as defined by Section 2260.001, Government Code.

Sec. 114.013. REPORT. Before January 1 of each even-numbered year, each state agency shall report to the governor, the comptroller, and each house of the legislature the cost of defense to the state agency and the office of the attorney general in an adjudication brought against the agency under a contract subject to this chapter. Included in the report shall be the amount claimed in any adjudication pending on the date of the report.

SECTION 2. Section 2260.002, Government Code, is amended to read as follows:

Sec. 2260.002. APPLICABILITY. This chapter does not apply to:

1. a claim for personal injury or wrongful death arising from the breach of a contract;
2. a contract executed or awarded on or before August 30, 1999; or
3. a claim for breach of contract to which Chapter 114, Civil Practice and Remedies Code, applies.

SECTION 3. (a) Chapter 114, Civil Practice and Remedies Code, as added by this Act, applies only to a claim arising under a contract executed on or after September 1, 2013. A claim that arises under a contract executed before September 1, 2013, is governed by the law applicable to the claim immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(b) Nothing in this Act is intended to create, rescind, expand, or limit any waiver of sovereign immunity to suit applicable to any contract executed before September 1, 2013.

SECTION 4. This Act takes effect September 1, 2013.

Passed by the House on May 10, 2013: Yeas 132, Nays 5, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 586 on May 24, 2013, and requested the appointment of a conference committee to consider the differences between the two houses; the House adopted the conference committee report on H.B. No. 586 on May 26, 2013: Yeas 145, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on May 22, 2013: Yeas 29, Nays 2; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; the Senate adopted the conference committee report on H.B. No. 586 on May 26, 2013: Yeas 29, Nays 2.

Approved June 14, 2013.
Effective September 1, 2013.

CHAPTER 1261

H.B. No. 595

AN ACT

relating to certain health programs and councils.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 533.005(a–1), Government Code, is amended to read as follows:

(a–1) The requirements imposed by Subsections (a)(23)(A), (B), and (C) do not apply, and may not be enforced, on and after August 31, 2018.

SECTION 2. (a) Chapters 38, 46, 83, 90, and 91, Health and Safety Code, are repealed.
(b) Subchapters A and C, Chapter 86, Health and Safety Code, are repealed.
(c) Sections 86.011 and 86.012, Health and Safety Code, are repealed.

SECTION 3. (a) On September 1, 2013, the programs and system established under Chapters 38, 46, 83, 86, 90, and 91, Health and Safety Code, as the laws existed immediately before the effective date of this Act, are abolished.

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