

BILL ANALYSIS

Senate Research Center
82R6549 DAK-D

S.B. 899
By: Ogden
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2007, the 80th Legislature passed S.B. 2031. That bill amended the Civil Practice and Remedies Code to ensure that the legislature determines the extent to which the state waives its sovereign immunity with regard to a settlement of a claim or action against the state that requires an expenditure of state funds exceeding \$25 million, or that commits the state to a course of action that in reasonable probability will entail a continuing increased expenditure of state funds over subsequent state fiscal bienniums. The requirement of legislative approval does not apply to a refund or a tax, fee, or any related penalty or interest.

While the legislature has the authority to approve any settlement, it recognized that doing so is impractical in every case, and the legislature has chosen to apply the authority specifically to cases involving substantial amounts of funds. Approval of a settlement is granted by a resolution adopted by both houses of the legislature.

In keeping with increased scrutiny of state expenditures, this bill would lower the threshold settlement amount requiring legislative approval from \$25 million to \$10 million.

As proposed, S.B. 899 amends current law relating to the legislature's consent or approval of a settlement of a claim or action against this state.

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 Section 111.003(a), Civil Practice and Remedies Code, to prohibit the attorney general or other attorney representing this state from entering into a settlement of a claim or action against this state without the consent or approval of the legislature in accordance with this chapter if the settlement:

- (1) requires this state to pay total monetary damages in an amount that exceeds \$10,000,000, rather than \$25,000,000, in a state fiscal biennium; or
- (2) commits this state to a course of action that in reasonable probability will entail a continuing increased expenditure of state funds over subsequent state fiscal bienniums.

SECTION 2. Provides that this Act applies to any settlement of a claim or action against this state on or after the effective date of this Act without regard to whether the claim or action commenced before, on, or after that date.

SECTION 3. Effective date: September 1, 2011.