

Chapter 688

H.B. No. 53

1 AN ACT  
2 relating to certain limitations on settlement agreements with a  
3 governmental unit.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Title 5, Civil Practice and Remedies Code, is  
6 amended by adding Chapter 116 to read as follows:

7 CHAPTER 116. SETTLEMENT OF CLAIM OR ACTION AGAINST GOVERNMENTAL  
8 UNIT

9 Sec. 116.001. DEFINITION. In this chapter, "governmental  
10 unit" has the meaning assigned by Section 101.001.

11 Sec. 116.002. CERTAIN SETTLEMENT TERMS PROHIBITED. (a) A  
12 governmental unit may not enter into a settlement of a claim or  
13 action against the governmental unit in which:

14 (1) the amount of the settlement is equal to or greater  
15 than \$30,000;

16 (2) the money that would be used to pay the settlement  
17 is:

18 (A) derived from taxes collected by a  
19 governmental unit;

20 (B) received from the state; or

21 (C) insurance proceeds received from an  
22 insurance policy for which the premium was paid with taxes

23 collected by a governmental unit or money received from the state;

24 and

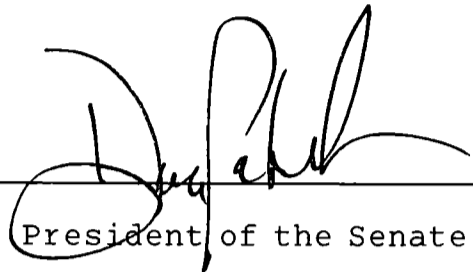
1           (3) a condition of the settlement requires a party  
2 seeking affirmative relief against the governmental unit to agree  
3 not to disclose any fact, allegation, evidence, or other matter to  
4 any other person, including a journalist or other member of the  
5 media.

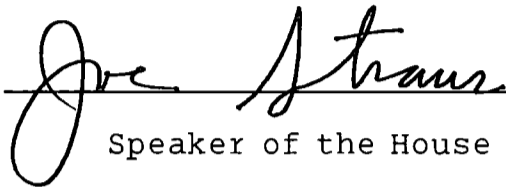
6           (b) A settlement agreement provision entered into in  
7 violation of Subsection (a) is void and unenforceable.

8           Sec. 116.003. EFFECT OF CHAPTER. This chapter does not  
9 affect information that is privileged or confidential under other  
10 law.

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

14           SECTION 3. This Act takes effect September 1, 2017.

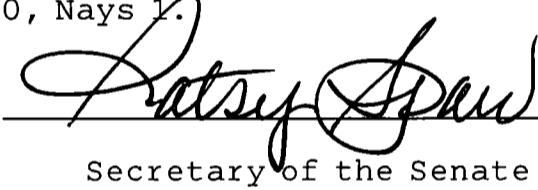
  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 53 was passed by the House on April 26, 2017, by the following vote: Yeas 148, Nays 0, 1 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House


I certify that H.B. No. 53 was passed by the Senate on May 19, 2017, by the following vote: Yeas 30, Nays 1.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: 6-9-2017  
Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
3:30 AM O'CLOCK

JUN 12 2017  
  
\_\_\_\_\_  
Secretary of State

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 12, 2017**

**TO:** Honorable Joan Huffman, Chair, Senate Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** HB53 by Romero, Jr. (Relating to certain limitations on settlement agreements with a governmental unit.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Civil Practice and Remedies Code by prohibiting certain settlement terms in a claim or action against a governmental unit. Based on the analysis of the Office of the Attorney General, the Comptroller of Public Accounts, and the Office of Court Administration, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would go in to effect on September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General, 304 Comptroller of Public Accounts

**LBB Staff:** UP, AG, NV, JSm, LBO, SLE

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 22, 2017**

**TO:** Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB53** by Romero, Jr. (Relating to certain limitations on settlement agreements with a governmental unit.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Civil Practice and Remedies Code by prohibiting certain settlement terms in a claim or action against a governmental unit. Based on the analysis of the Office of the Attorney General and the Office of Court Administration, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill would go in to effect on September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

**LBB Staff:** UP, LBO, NV, JSm, SLE

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 13, 2017**

**TO:** Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB53** by Romero, Jr. (Relating to settlement of claims and actions against a governmental unit.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Civil Practice and Remedies Code by prohibiting certain settlement terms against a governmental unit and restricting the admissibility of certain evidence related to settlement negotiation.

According to information provided by the Office of the Attorney General, the bill would prevent a governmental unit from using evidence of a settlement to defend against a suit arising out of the same facts. The bill would increase the costs associated with litigation as a result of eliminating defenses that would resolve all, or portions, of a suit without the need for protracted discovery and trial. It is anticipated that the timing to litigate and appeal cases impacted by the bill would make immediate impact unlikely. This analysis assumes that any costs associated with the implementation of the bill would be absorbed by the Office of the Attorney General and the Office of Court Administration using existing agency resources.

The bill would go in to effect on September 1, 2017.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 302 Office of the Attorney General

**LBB Staff:** UP, SLE, NV, JSm