

## Committee on Governmental Oversight and Accountability

### **CS/CS/SB 1188 — Contract Liability**

by Fiscal Policy Committee; Governmental Oversight and Accountability Committee; and  
Senator Boyd

The bill requires each state agency contract for more than \$35,000 of contractual services to include a provision limiting a vendor's liability to a defined monetary threshold. The bill requires all contracts for services in excess of \$35,000 to include a provision limiting vendor liability for direct damages to the greater of \$100,000, the dollar amount of the contract or purchase order, or two times the charges rendered by the contractor under the purchase order. This limitation of liability clause does not impact other contractual provisions relating to indemnification for any contractual services or insurance coverage for professional services contracts.

This requirement also applies to purchases by the early learning coalitions.

If approved by the Governor, or allowed to become law without the Governor's signature, these provisions take effect July 1, 2023.

*Vote: Senate 39-0; House 117-0*