

House Bill 133

By: Representatives Holcomb of the 81st and Prince of the 127th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 80 of Title 36 of the Official Code of Georgia Annotated, relating to
2 provisions applicable to counties, municipal corporations, and other governmental entities,
3 so as to provide that any service contract such entities enter into shall contain a termination
4 clause; to provide that poor performance or cost overrun shall constitute cause for
5 termination of the contract; to provide for applicability; to provide a short title; to provide
6 for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 This Act shall be known and may be cited as the "Contract Cancellation Act."

10 **SECTION 2.**

11 Chapter 80 of Title 36 of the Official Code of Georgia Annotated, relating to provisions
12 applicable to counties, municipal corporations, and other governmental entities, is amended
13 by adding a new Code section to read as follows:

14 "36-80-24.

15 Any service contract with a political subdivision entered into or renewed on or after July
16 1, 2015, shall contain specific performance and cost parameters, and the contractor shall
17 submit quarterly reports to the governing authority or other contracting authority showing
18 the contractor's compliance with such performance criteria and the actual costs for which
19 the political subdivision is obligated. Each such contract shall contain a provision
20 authorizing, but not requiring, the political subdivision to terminate the contract if the
21 contractor fails to comply with the performance criteria or if projected annual costs exceed
22 the cost established by the contract. The contract shall also contain a provision that the
23 political subdivision may cancel the contract at any time if the contractor fails to comply
24 with all applicable local, state, and federal laws and regulations; provided, however, that

25 any such contract shall be subject to termination on those grounds whether or not the
26 contract so specifies."

27 **SECTION 3.**

28 All laws and parts of laws in conflict with this Act are repealed.