

House Bill 189

By: Representatives Nelson of the 125th, Prince of the 127th, and Scott of the 76th

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 general provisions applicable to counties, municipal corporations, and other governmental
3 entities, so as to provide that any service contract such entities enter into shall contain a
4 termination clause; to provide that poor performance or cost overrun shall constitute cause
5 for termination of the contract; to provide a short title; to provide for related matters; to
6 provide an effective date; 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 general
12 provisions applicable to counties, municipal corporations, and other governmental entities,
13 is amended by adding a new Code section to read as follows:

14 "36-80-26.

15 Any service contract with a political subdivision entered into or renewed on or after July
16 1, 2017, 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 This Act shall become effective upon its approval by the Governor or upon its becoming law
29 without such approval.

30 **SECTION 4.**

31 All laws and parts of laws in conflict with this Act are repealed.