

# Texas False Claims Act constituent proposal

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Please sponsor or co-author a Texas False Claims Act for state and local public funds and request a Texas Legislative Council draft for the 90th Legislature.

When a contractor promises specific work, takes public money, and materially fails to deliver, taxpayers need a practical way to recover the money if the paying government does not act. Texas already has a private enforcement framework for fraud involving specified health care programs. This proposal would extend that approach to other state, county, municipal, and regional funds while preserving the existing law.

The bill would let a private person bring a civil action on behalf of the public financial interest, under government supervision and court review. A successful whistleblower would receive a share of money actually recovered. Local governments could enforce their own claims. The Attorney General could step in when local authorities decline, fail to act, or have a demonstrated conflict. Local recoveries would remain local after whistleblower awards and applicable fund restrictions.

The proposal keeps two paths for contractors who take payment without delivering. Fraudulent bidding or billing would carry treble damages and civil penalties. Knowingly retaining payment for a material failure to deliver binding work or outcomes would require repayment, interest, and fees after a cure opportunity. Concealment, material lies, or unjustified refusal to repay after a government demand would permit enhanced remedies. Ordinary mistakes, minor shortfalls, reasonable good-faith disputes, and goals described as aspirational would not establish liability.

For example, a contract promises 100 completed service units and pays for them, but only 60 are delivered. A false invoice may support fraud liability. Accurate reporting would not authorize keeping the payment attributable to the missing 40 units. The court would credit actual delivery and apply the agreement's payment terms.

Public-information records should help taxpayers establish a case. Obtaining or analyzing those records would not itself bar a claim. The bill also protects lawful whistleblower reporting by private and public employees, prevents duplicate recoveries, and gives courts discretion to reduce disproportionate penalties.

The new performance-repayment duty would apply to future agreements and renewals. This is a proposed accountability expansion, with defined commitments and remedies. The draft bill is attached; a full package with a section summary, state comparisons, and FAQ is available on request.

Lance McNeill, MBA, MPAff | Founder and CEO, Arclight Action Public Benefit Corporation

Austin, Texas | [lance@arclightaction.com](mailto:lance@arclightaction.com) | 737-330-1126