

## **BILL ANALYSIS**

Senate Research Center

H.B. 1564  
By: Eiland (Patterson)  
Economic Development  
5-18-97  
Engrossed

### **DIGEST**

Currently, many quasi-public entities and authorities, such as water authorities, waste disposal authorities, and public-private corporations, are not required to follow regulatory provisions requiring a competitive bidding process for the selection of a depository for public funds. This bill would require quasi-public entities and authorities to follow statutory provisions and competitive bidding procedures for the selection of a depository for public funds.

### **PURPOSE**

As proposed, H.B. 1564 requires quasi-public entities and authorities to follow statutory provisions and competitive bidding procedures for the selection of a depository for public funds.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 131, Local Government Code, by adding Subchapter B, as follows:

#### **SUBCHAPTER B. DEPOSITORIES FOR CERTAIN SPECIAL DISTRICTS**

Sec. 131.021. **APPLICABILITY.** Provides that this chapter applies only to a special district created under Section 52 of Article III of Section 59 of Article XVI, Texas Constitution, that is not required to establish a depository.

Sec. 131.022. **FUNDS AFFECTED.** Provides that this chapter applies to the funds of the special district or any district or any department or agency of the special district.

Sec. 131.023. **ESTABLISHMENT OF AND REQUIREMENTS FOR DEPOSITORY.** Require the governing body of the special district to establish a depository as provided by Chapter 105 or 116. Provides that depository established under this section is subject to the same requirements imposed on a depository under the chapter of this code that the governing body selects to establish the depository.

Sec. 131.024. **MEANING OF TERMS AND REQUIREMENTS.** Provides that the terms defined by the chapter of this code that the governing body of the special district selects to establish a depository have the meanings assigned by that chapter for purposes of this chapter, except as provided by Subsection (b). Defines "designated officer," "municipality," "governing body of a municipality," and "specific officer or employee of a municipality," for purposes of a special district operating under Chapter 105. Defines "county," "commissioners court of a county," and "specific officer or employee of a county," for purposes of a special district operating under Chapter 116. Requires a special district operating under Chapter 116 to select and establish a depository during the same time period within which a commissioner's court is required to select and establish a depository under Chapter 116.

SECTION 2. Amends Chapter 271, Local Government Code, by adding Subchapter G, as follows:

## SUBCHAPTER G. COMPETITIVE BIDDING REQUIREMENTS FOR CERTAIN SPECIAL DISTRICTS

Sec. 271.121. **APPLICABILITY.** Provides that this chapter applies only to a special district created under Section 52 of Article III or Section 59 of Article XVI, Texas Constitution, that is not required to follow a competitive bidding process or another process designated to achieve the best value for the special district in its purchases.

Sec. 271.122. **PURCHASING AND CONTRACTING AUTHORITY OF CERTAIN SPECIAL DISTRICTS.** Requires the governing body of the special district to follow the competitive bidding requirements, procedures, and enforcement provisions of Chapter 252 or 262.

Sec. 271.123. **MEANING OF TERMS AND REQUIREMENTS.** Provides that the terms defined by the chapter of this code that the governing body of the special district selects to follow for competitive bidding requirements have the meanings assigned by that chapter for purposes of this chapter. Provides that for the purposes of this chapter, a provision of Chapter 252 or 262 that limits the application of the provision based on the population in the municipality or county applies to a special district subject to this subchapter regardless of the population limitation imposed under Chapter 252 or 262. Defines, for purposes of a special district operating under Chapter 252, "municipality," "governing body of a municipality," and "specific officer or employee of municipality." Defines, for purposes of a special district operating under Chapter 262, "county," "commissioners court of a county," "specific officer or employee of a county," and "board in Section 262.011." Provides that for purposes of a special district operating under Chapter 262, Section 262.012 does not apply to the special district.

SECTION 3. Emergency clause.

Effective date: 90 days after adjournment.