

## **BILL ANALYSIS**

C.S.H.B. 1834  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been observed that requirements for state agencies relating to prompt payment for goods and services can create a problem for agencies that must obtain approval of invoices for outside legal counsel from the attorney general's office because the invoice must be reviewed by two separate state agencies within the same period instead of one. There are concerns that the payment deadline may not leave enough time for review of such an invoice if the agency does not submit it for approval within an appropriate amount of time or submits incomplete information. C.S.H.B. 1834 seeks to address these issues by expanding the time frame for payment of outside legal counsel invoices to 45 days, setting a deadline by which an agency must submit such an invoice for review, involving an agency's office of general counsel in the review process, and simplifying the scope of the review.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1834 amends the Government Code to require an invoice submitted to an executive branch state agency under a contract between the agency and an attorney, other than a full-time agency employee, for legal services to be submitted to the attorney general by the agency's office of general counsel not later than the 25th day after the date the agency receives the invoice. The bill requires that the attorney general's review of the invoice to determine its eligibility for payment to be based only on whether the legal services for which the agency is billed were performed within the term of the contract and are within the scope of the legal services authorized by the contract.

C.S.H.B. 1834 requires the agency's office of general counsel to include with the submitted invoice a written certification that the legal services for which the agency is billed were performed within the term of the contract, are within the scope of the legal services authorized by the contract, and are reasonably necessary to fulfill the contract. The bill requires a state agency, in order to certify such an invoice, to determine at a minimum that certain items, as described by the bill, are supported by proper documentation and submitted to the agency under the requirements of the contract.

C.S.H.B. 1834 requires a state agency that receives such an invoice, if the agency rejects or disputes the invoice as not certifiable, to notify, not later than the 21st day after the date the

agency receives the invoice, the attorney or law firm providing the invoice and to request a corrected invoice. The bill specifies that the deadline for submission to the attorney general begins on the date the agency receives a corrected invoice that is certifiable.

C.S.H.B. 1834 requires the attorney general, if the attorney general rejects or disputes an invoice and certification submitted by an agency, to notify the agency that the invoice is not eligible for payment. The bill authorizes a state agency to submit a corrected invoice and certification and specifies that the bill's requirements apply to the corrected invoice and certification.

C.S.H.B. 1834 establishes that a payment under such a contract for legal services that is owed by a state agency is overdue on the 46th day after the date the agency receives an invoice.

### **EFFECTIVE DATE**

September 1, 2019.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1834 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions setting out the items a state agency is required, at a minimum, to determine are supported by proper documentation and submitted to the agency under the requirements of the contract in order to certify an invoice.

The substitute includes provisions that set out the process by which a state agency that receives such an invoice rejects or disputes the invoice as not certifiable and the process by which the attorney general rejects or disputes an invoice and certification submitted by an agency.