

## **BILL ANALYSIS**

Senate Research Center  
86R5205 BRG-D

S.B. 2340  
By: West  
Business & Commerce  
4/22/2019  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

S.B. 2340 would amend the section of the government code that pertains to the implementation of pay for success contracts by state agencies. As it is currently written in statute, the legislature would have to appropriate funds for this specific purpose. S.B. 2340 would not only retain the original source of capital, but would also allow gifts, grants, and donations to be received for this purpose. The other change that this bill seeks to make is to clarify that a contract executed under the authority of this section is not enforceable until funds are received.

As proposed, S.B. 2340 amends current law relating to the administration of "pay for success" contracts for state agencies.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 403.110(c), (e), and (f), Government Code, as follows:

(c) Provides that the trust fund consists of money gifted, granted, donated, or appropriated for deposit to the credit of the trust fund and any interest or other earnings attributable to the trust fund.

(e) Provides that a contract executed under this section (Success Contract Payments Trust Fund) is not enforceable until, rather than prohibiting the comptroller of public accounts of the State of Texas (comptroller) and a state agency from finally executing a proposed success contract under this section unless:

(1) makes no changes to this subdivision; and

(2) a grantor or donor has gifted, granted, or donated, or the legislature has appropriated for deposit to the credit of the trust fund, contingent on the execution of the contract, an amount of money necessary to administer the contract and make all payments that may become due under the contract over the effective period of the contract.

(f) Requires the comptroller, to the extent that any money credited to the trust fund for a particular success contract remains unpaid at the time the particular contract expires or is terminated, as soon after the contract expiration as is practicable, to return the unpaid amount to the grantor, donor, or state treasury fund or account from which the money was gifted, granted, donated, or appropriated, rather than return the unpaid amount to the state treasury fund or account from which the money was appropriated.

SECTION 2. Effective date: September 1, 2019.