

By: Kolkhorst

H.B. No. 3646

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the length of certain contracts between a state agency
3 and a private entity.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter Z, Chapter 2252, Government Code, is
6 amended by adding Section 2252.904 to read as follows:

7 Sec. 2252.904. TERMS OF CERTAIN CONTRACTS. (a) This
8 section applies to each board, commission, council, or other agency
9 in the legislative, executive, or judicial branch of state
10 government, including an institution of higher education.

11 (b) Except as provided by Subsection (c), a state agency may
12 not enter into a contract with a private entity for a term that
13 exceeds 20 years. For the purposes of this subsection, a contract
14 is considered to have a term that exceeds 20 years if the contract
15 governs an agreement that extends beyond 20 years, regardless of
16 whether the contract is contingent on periodic appropriations by
17 the legislature.

18 (c) Subsection (b) does not apply to:

19 (1) a state security approved by the Bond Review Board
20 under Chapter 1231; or

21 (2) an agreement under Section 222.104,
22 Transportation Code, providing for pass-through tolls.

23 SECTION 2. (a) Section 2252.904, Government Code, as added
24 by this Act, applies only to:

1 (1) a contract for which a state agency first
2 advertises or otherwise solicits bids, proposals, offers, or
3 qualifications, as applicable, on or after September 1, 2007; and

4 (2) an extension of an existing contract entered into
5 on or after that date.

6 (b) A contract for which a state agency first advertised or
7 otherwise solicited bids, proposals, offers, or qualifications, as
8 applicable, before September 1, 2007, other than a contract
9 extension described by Subsection (a)(2) of this section, is
10 governed by the law as it existed immediately before the effective
11 date of this Act, and that law is continued in effect for that
12 purpose.

13 SECTION 3. This Act takes effect September 1, 2007.