

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 21, 2017**

**TO:** Honorable Byron Cook, Chair, House Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** **HB665** by Canales (Relating to the requirement that contractors verify compliance with wage payment laws in contracts with public bodies.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend Chapter 2252 of the Government Code, regarding contracts with a governmental entity. The bill would prohibit a public body from contracting for goods or services in Texas unless the contractor certifies that within the five years preceding the date of the contract the contractor, including any subcontractor, has not admitted guilt or been found guilty or liable in any judicial or administrative proceeding for a repeated or willful violation of: certain Texas Labor Code provisions relating to payment of wages and the minimum wage; the federal Fair Labor Standards Act of 1938; or any similar statute or regulation of any state that governs the payment of wages.

The bill would require contracts with a public body to include a certification of eligibility with regard to the above provision. The bill would require a contractor that determines that a contractor is ineligible for a contract under the bill's provisions to refer the matter to the Comptroller of Public Accounts (CPA) for action. The bill requires CPA to bar a contractor from participating in a contract with a public body for five years if CPA determines that the contractor was awarded a contract in violation of the bill's provisions or became ineligible for the contract under the bill's provisions during the term of the contract.

The bill would require each public body to develop procedures for administration of the bill's provisions by October 1, 2017.

The bill would take effect September 1, 2017.

CPA has indicated that the bill would have no fiscal impact on the state.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** UP, AG, JPU, DRE, SD