

## **BILL ANALYSIS**

Senate Research Center  
86R11823 JCG-F

S.B. 1794  
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Business & Commerce  
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As Filed

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

The State Office of Administrative Hearings (SOAH) receives payments for the costs of conducting hearings and alternative dispute resolutions referred by state agencies through two sources: General Revenue Fund appropriations and lump-sum payments from interagency contracts (IACs). Currently, nearly all payments to SOAH by referring agencies are through interagency contracts, using the guidelines set forth in Section 2003.024, Government Code, (the IAC statute). SOAH has implemented the use of the IAC statute for nearly all agencies, except those where IAC costs are set by an appropriations rider, including the Office of the Comptroller of Public Accounts (CPA), Texas Commission on Environmental Quality (TCEQ), and the Public Utility Commission of Texas (PUC). The Sunset Commission in 2015 recommended that all payments to SOAH for these costs be through IACs.

S.B. 1794 would align provisions within the Government Code and the General Appropriations Act with the IAC statute, and will require SOAH's costs for IACs with CPA, TCEQ, and the PUC to be set in accordance with the statute. In addition to improving consistency in the treatment of referring agencies that use SOAH's services, S.B. 1794 aims to increase accuracy and improve the predictability of IAC payments, which would result in a more efficient use of state funds.

As proposed, S.B. 1794 amends current law relating to the calculation of costs in interagency contracts between certain state agencies and the State Office of Administrative Hearings.

### **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 2003.024(d), Government Code, to delete text of existing Subdivision (1) providing that this section (Interagency Contracts; Anticipated Hourly Usage and Cost Estimates) does not apply to hearings conducted under Section 2003.047 (Hearings For Texas Commission on Environmental Quality) or 2003.049 (Utility Hearings).

SECTION 2. Amends Section 2003.025(a), Government Code, to provide that this section (Required Information Regarding Anticipated Hourly Usage) applies to a state agency that has entered into a contract with the State Office of Administrative Hearings for the conduct of hearings and alternative dispute resolution procedures for the agency, including a contract under Section 2003.024 or 2003.049, rather than Section 2003.024, 2003.048 (Texas Commission on Environmental Quality Hearings Fee), 2003.049, or 2003.105 (Tax Hearings Fee), during any of the three most recent state fiscal years.

SECTION 3. Repealer: Section 2003.048 (Texas Commission on Environmental Quality Hearings Fee), Government Code.

Repealer: Section 2003.105 (Tax Hearings Fee), Government Code.

SECTION 4. Makes application of this Act prospective.

SECTION 5. Effective date: September 1, 2019.