

BILL ANALYSIS

Senate Research Center
87R16094 SCL-F

H.B. 1428
By: Huberty (Huffman)
Jurisprudence
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Legislation passed in the 86th Regular Session established requirements for the procurement of a contingent fee contract for legal services by a political subdivision and exempted certain delinquent obligation collection contracts from attorney general review. Since that legislation's enactment, interested parties have determined that the scope of those exempt contracts is too narrow. H.B. 1428 seeks to address this issue, consistent with the reasoning and intent of the previous legislation by extending the applicable exemption for certain contracts.

H.B. 1428 amends the Government Code to extend the exemption for certain collection services contracts from provisions governing contingent fee contracts for legal services to any contract for legal services entered into by a political subdivision for the collection of a delinquent obligation. The bill defines "obligation" by reference and establishes that for purposes of this exemption an obligation does not include a fine or penalty that results from an action by a political subdivision under specified Water Code enforcement provisions.

H.B. 1428 amends current law relating to procurement by a political subdivision of a contingent fee contract for legal services.

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 2254.102(e), Government Code, as follows:

(e) Provides that Subchapter C (Contingent Fee Contract for Legal Services) does not apply to a contract for legal services entered into by a political subdivision for the collection of an obligation, as defined by Section 2107.001 (Definitions), that is delinquent or for services under Section 1201.027 (Authority of Issuer to Contract for Services), rather than entered into under Section 6.30 (Attorneys Representing Taxing Units), Tax Code, Article 103.0031 (Collection Contracts), Code of Criminal Procedure, or Section 1201.027 of this code, except that Sections 2254.1032 (Political Subdivision: Selection of Provider), 2254.1034 (Political Subdivision: Indemnification), 2254.1036 (Political Subdivision: Contract Notice; Approval by Governing Body), and 2254.1037 (Political Subdivision: Contract as Public Information) do apply to the contract. Provides that, for purposes of this subsection, an obligation does not include a fine or penalty that results from an action by a political subdivision under Chapter 7 (Enforcement), Water Code.

SECTION 2. Makes application of Section 2254.102(e), Government Code, as amended by this Act, prospective.

SECTION 3. Effective date: September 1, 2021.