

## **BILL ANALYSIS**

H.B. 1476  
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State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, a governmental entity is required only to notify a vendor of the fact that there is an error in an invoice submitted for payment by the vendor and does not need to give notice about the amount of the invoice the entity believes is erroneous. As a result, when an entity notifies a vendor of an invoicing error, the vendor is unsure of the potential breadth of the error and the entity can withhold all funds owed to that vendor until the dispute is resolved. H.B. 1476 seeks to address this issue and increase transparency and fairness by requiring a governmental entity to detail the amount of an invoice that is being disputed and permitting the entity to withhold from payments required no more than 110 percent of that disputed amount, thus allowing the vendor to receive partial payment for work completed that is not in dispute.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1476 amends the Government Code to require a governmental entity to notify a vendor of a disputed amount in an invoice submitted for payment by the vendor not later than the 21st day after the date the entity receives the invoice. The bill requires the governmental entity to include in the notice a detailed statement of the amount of the disputed invoice and caps at 110 percent the amount of the disputed amount that the entity may withhold from payments.

### **EFFECTIVE DATE**

September 1, 2021.