

BILL ANALYSIS

H.B. 1861
By: Cortez
Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

State law requires interlocal contracts between certain local governments to be authorized by the governing bodies of each party to the contract. However, municipally owned electric utilities are authorized to use a streamlined contracting process that does not require this authorization for interlocal contracts that do not exceed \$100,000. Examples of these types of contracts include the cooperative purchase of parts for vehicles and equipment or utility relocations to accommodate road construction. Other governmental entities, such as municipal water utilities, also enter into interlocal contracts that are similar in simplicity and value, yet these contracts are still subject to authorization by each applicable governing body. This requires a significant investment of time by staff and members of the governing body on matters that are otherwise considered routine. H.B. 1861 seeks to allow the San Antonio Water System to use a streamlined process for entering into interlocal contracts of a certain value that does not require this approval for each contract.

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. 1861 amends the Government Code to authorize the governing body of a water utility owned by a municipality containing more than 75 percent of the population of a county with a population of 1.5 million or more to establish procedures for the utility to enter into interlocal contracts that do not exceed \$100,000 without requiring the governing body's approval.

EFFECTIVE DATE

September 1, 2021.