

By: Cortez

H.B. No. 1861

A BILL TO BE ENTITLED

AN ACT

relating to the requirements for interlocal contracts.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 791.011(d), Government Code, is amended to read as follows:

(d) An interlocal contract must:

(1) be authorized by the governing body of each party to the contract unless a party to the contract is 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 or a municipally owned electric utility, in which event the governing body may establish procedures for entering into interlocal contracts that do not exceed \$100,000 without requiring the approval of the governing body;

(2) state the purpose, terms, rights, and duties of the contracting parties; and

(3) specify that each party paying for the performance of governmental functions or services must make those payments from current revenues available to the paying party.

SECTION 2. The changes in law made by this Act apply only to an interlocal contract entered into on or after the effective date of this Act. An interlocal contract entered into before the effective date of this Act is governed by the law in effect on the date the contract was entered into, and the former law is continued

1 in effect for that purpose.

2 SECTION 3. This Act takes effect September 1, 2021.