**BILL ANALYSIS**

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| Senate Research Center | H.B. 3437 |
| 88R19798 SCP-F | By: Holland (Nichols) |
|  | Water, Agriculture & Rural Affairs |
|  | 5/5/2023 |
|  | Engrossed |

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

Under current law, a water district board may grant authority to an official or employee responsible for purchasing or administering a contract to approve a change order that involves an increase or decrease of $50,000 or less. The threshold was established over 10 years ago and has since not been updated to reflect construction cost increases.  H.B. 3437 seeks to raise the threshold from $50,000 or less to $150,000 or less.

H.B. 3437 amends current law relating to the authority to approve change orders for certain contracts for the construction, repair, and renovation of water district facilities.

**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 49.273(i), Water Code, to authorize the governing body of certain districts to grant authority to an official or employee responsible for purchasing or for administering a contract to approve a change order that involves an increase or decrease of $150,000 or less, rather than $50,000 or less.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2023.