

## **BILL ANALYSIS**

C.S.H.B. 3437  
By: Holland  
Natural Resources  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

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. C.S.H.B. 3437 seeks to raise the threshold from \$50,000 or less to \$150,000 or less.

### **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**

C.S.H.B. 3437 amends the Water Code to revise the authorization for a water district board to grant authority to approve a change order for certain construction, equipment, materials, and machinery contracts to an official or employee responsible for purchasing or for contract administration by increasing from \$50,000 to \$150,000 the maximum value of an increase or decrease involved in a change order that may be approved by such an official or employee. The bill applies only to a change order approved on or after the bill's effective date.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 3437 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced changed the authorization for a water district board to delegate authority to approve change orders that involve an increase or decrease of \$50,000 or less by removing that \$50,000 threshold entirely, the substitute raises the threshold to \$150,000 or less.