

## **BILL ANALYSIS**

H.B. 1179  
By: Flores  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

When the Lottery Commission was created, the Legislature exempted them from certain procurement practices in order for the Commission to expedite the start-up processes and to begin generating funds for the state. Now that the Lottery Commission has been existing for several years, there is no longer a need for this agency to continue in the current contracting practice form. The Lottery Commission under its rulemaking authority adopted comprehensive procurement procedures modeled in part on the Texas Building and Procurement (TBPC) rules and agency practices. The procurement procedures adopted under § 466.101 now must be read together with TBPC requirements. As currently drafted, the agency may be subject to two sets of procurement statutes or rules with different and inconsistent results.

HB 1179 will repeal certain sections and address the issue of inconsistent statutes or rules. HB 1179 will also allow for a transition period from current practice to Texas Building and Procurement (TBPC) oversight. For major contracts that are up for renewal or have already been bid, the bill will allow completion of the procurements under the current agencies' rules and authority.

### **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**

HB 1179 amends § 466.101, Government Code, to provide that the general law governing purchasing and contracts by state agencies applies to the Texas Lottery Commission.

Repeals §§ 466.102 (Liquidated Damages; Performance Bond), 466.104 (Assistance of General Services Commission), 466.105 (Applicability of Other Law), 466.106 (Preference for Texas Businesses), 466.107 (Minority Businesses), and 466.108 (Television Contracts), of the Texas Government Code.

Provides that the change in the law applies to purchases or contracts made on or after the effective date, except for contracts or purchases that already have bids or proposals.

Provides that the change in law will not affect a contract entered before the effective date and does not apply to a purchase made on or after the effective date under a contract entered before the effective date if the purchase was made during the period covered by the contract.

### **EFFECTIVE DATE**

September 1, 2007.