

1-1 By: Parker (Senate Sponsor - West) H.B. No. 982
 1-2 (In the Senate - Received from the House April 23, 2019;
 1-3 April 24, 2019, read first time and referred to Committee on
 1-4 Business & Commerce; May 6, 2019, reported favorably by the
 1-5 following vote: Yeas 8, Nays 0; May 6, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the administration of "pay for success" contracts for
 1-20 state agencies.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Sections 403.110(c), (e), and (f), Government
 1-23 Code, are amended to read as follows:

1-24 (c) The trust fund consists of money gifted, granted,
 1-25 donated, or appropriated for deposit to the credit of the trust fund
 1-26 and any interest or other earnings attributable to the trust fund.
 1-27 The comptroller shall hold money credited to the trust fund for use
 1-28 only for payments due in accordance with success contract terms and
 1-29 expenses incurred in administering the trust fund or in
 1-30 administering the success contracts for which the trust fund is
 1-31 established. The balance of the trust fund may not exceed \$50
 1-32 million at any time. The comptroller may establish in the trust fund
 1-33 one or more accounts to administer money for a particular success
 1-34 contract for which money has been credited to the trust fund.

1-35 (e) A contract executed under this section is not
 1-36 enforceable until ~~[The comptroller and a state agency may not~~
 1-37 ~~finally execute a proposed success contract under this section~~
 1-38 ~~unless]~~:

1-39 (1) the state agency and the Legislative Budget Board
 1-40 certify that the proposed contract is expected to result in
 1-41 significant performance improvements and significant budgetary
 1-42 savings for the state agency or agencies party to the contract if
 1-43 the performance targets are achieved; and

1-44 (2) a grantor or donor has gifted, granted, or
 1-45 donated, or the legislature has appropriated for deposit to the
 1-46 credit of the trust fund, contingent on the execution of the
 1-47 contract, an amount of money necessary to administer the contract
 1-48 and make all payments that may become due under the contract over
 1-49 the effective period of the contract.

1-50 (f) The comptroller shall make the contract payments for the
 1-51 success contracts only from the trust fund and only in accordance
 1-52 with the terms of the success contracts. The comptroller shall
 1-53 deposit to the credit of the trust fund any money the comptroller
 1-54 recovers from a contractor for overpayment or for a penalty or other
 1-55 amount recoverable under the terms of a success contract and shall
 1-56 hold the money in the trust fund in the same manner as the money held
 1-57 for payments for the success contract. To the extent that any money
 1-58 credited to the trust fund for a particular success contract
 1-59 remains unpaid at the time the particular contract expires or is
 1-60 terminated, as soon after the contract expiration as is
 1-61 practicable, the comptroller shall return the unpaid amount to the

2-1 grantor, donor, or state treasury fund or account from which the
2-2 money was gifted, granted, donated, or appropriated.
2-3 SECTION 2. This Act takes effect September 1, 2019.

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