

## **BILL ANALYSIS**

H.B. 2986  
By: Israel  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Public Property Finance Act authorizes governmental entities to finance purchases of personal property, including computer hardware and equipment. Concerns have been raised regarding the fact that cloud computing services, which are increasingly replacing computer hardware for data storage, cybersecurity enhancements, and processing, are not considered personal property under the act. H.B. 2986 seeks to provide governmental entities the ability to use low-cost financing for these services by classifying cloud computing services as personal property under the act.

### **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**

H.B. 2986 amends the Local Government Code to classify cloud computing services as personal property for purposes of the Public Property Finance Act.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2019.