

## **BILL ANALYSIS**

Senate Research Center

H.B. 2778  
By: Junell (Ratliff)  
Finance  
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Engrossed

### **DIGEST**

At the conclusion of each biennium, the State of Texas always faces a number of outstanding claims and judgments against it for varying amounts of money. The claims consist of warrants voided by the statute of limitations, outstanding invoices to private vendors, unpaid charges for Medicaid recipients, or court settlements. These claims result in additional appropriations being made to honor the state's obligations under the law. This bill would appropriate funds for the payment of claims and judgments against the state.

### **PURPOSE**

As proposed, H.B. 2778 appropriates funds for the payment of claims and judgments against the state.

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

**SECTION 1. TRUSTEED PROGRAMS WITHIN THE OFFICE OF THE GOVERNOR.** Sets forth the sum of money that is appropriated out of the Oil Overcharge Account No. 5005 for payment of certain itemized claims against the state. Sets forth the sum of money that is appropriated out of the Governor's Office Federal Projects Account No. 224 for payment of certain itemized claims against the state.

**SECTION 2. OFFICE OF THE ATTORNEY GENERAL.** Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state. Sets forth the sum of money that is appropriated out of the Compensation to Victims of Crime Account No. 469 for payment of itemized claims against the state.

**SECTION 3. TREASURY DEPARTMENT.** Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state.

**SECTION 4. TEXAS WORKFORCE COMMISSION.** Sets forth the sums of money that are appropriated out of the Workforce Commission Federal Account No. 5026 for payment of certain itemized claims against the state.

**SECTION 5. DEPARTMENT OF HUMAN SERVICES.** Sets forth the sums of money that are appropriated to the Department of Human Services, out of certain funds, for payment of certain itemized claims against the state. Requires the amount appropriated by Subsection (a) of this section to be drawn out of the General Revenue Fund No. 001 and out of federal funds.

**SECTION 6. REAL ESTATE COMMISSION.** Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

**SECTION 7. REHABILITATION COMMISSION.** Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state. Sets forth the sums of money that are appropriated out of the Comprehensive Rehabilitation

Account No. 107 for payment of certain itemized claims against the state.

SECTION 8. DEPARTMENT OF PUBLIC SAFETY. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state. Sets forth the sums of money that are appropriated out of the State Highway Fund No. 006 for payment of certain itemized claims and judgments plus interest, if any, against the state. Sets forth the sum of money that is appropriated out of the Operators and Chauffeurs License Account No. 099 for payment of itemized claims against the state.

SECTION 9. WORKERS' COMPENSATION COMMISSION. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

SECTION 10. RAILROAD COMMISSION. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

SECTION 11. DEPARTMENT OF HEALTH. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state. Sets forth the sum of money that is appropriated out of the Vital Statistics Account No. 019 for payment of certain itemized claims against the state.

SECTION 12. DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES. Sets forth the sums of money that are appropriated to the Department of Protective and Regulatory Services, out of certain funds, for payment of certain itemized claims against the state. Requires the amounts appropriated by Subsection (a) to be drawn out of certain sources.

SECTION 13. EXECUTIVE COUNCIL OF PHYSICAL THERAPY AND OCCUPATIONAL THERAPY EXAMINERS. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

SECTION 14. NATURAL RESOURCE CONSERVATION COMMISSION. Sets forth the sum of money that is appropriated out of the Petroleum Storage Tank Remediation Account No. 655 for payment of certain itemized claims against the state. Sets forth the sum of money that is appropriated out of the funds specified for the payment of certain itemized claims and judgments plus interest, if any, against the state. Provides that the Texas Natural Resource Conservation Commission (TNRCC) is authorized to expend appropriations made to the TNRCC for the biennium beginning September 1, 1997, for the additional purpose of paying certain individuals an amount not to exceed a certain amount as a settlement in the case of *Thomas P. McDill, Jr., v. TNRCC*, contingent on the receipt by the state of a full and complete release from all claims or causes of action related to the case by each party to the case.

SECTION 15. DEPARTMENT OF TRANSPORTATION. Sets forth the sums of money that are appropriated out of the State Highway Fund No. 006 for payment of certain itemized claims against the state. Sets forth the sum of money that is appropriated out of the Proportional Registration Distributive Trust Fund No. 021 for payment of certain itemized claims against the state.

SECTION 16. DEPARTMENT OF MENTAL HEALTH AND MENTAL RETARDATION. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state.

SECTION 17. YOUTH COMMISSION. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

SECTION 18. DEPARTMENT OF CRIMINAL JUSTICE. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state. Provides that from the amounts previously appropriated to the Texas Department of Criminal Justice (TDCJ) out of general obligation bond proceeds by Chapter 1063, Acts of the

74th Legislature, Regular Session, 1995 (the General Appropriations Act), the sum of \$8,000,000 is reappropriated to the TDCJ for the purpose of paying a settlement in the case of *MKK Technologies, Inc./North Star Construction, Inc., a Joint Venture v. TDCJ, Institutional Division*, contingent on the receipt by the state of a full and complete release from all claims or causes of action related to the case by each party in the case. Authorizes TDCJ to expend appropriations made to TDCJ for the biennium beginning September 1, 1997, for the additional purpose of paying certain individuals, according to the terms of a judgment in the case of *Robert W. Frazier v. TDCJ* in certain amounts from October 7, 1994, until paid.

SECTION 19. PRAIRIE VIEW A&M UNIVERSITY. Sets forth the sums of money that are appropriated out of the Prairie View A&M University Current Account No. 245 for payment of certain itemized claims against the state.

SECTION 20. TEXAS TECH UNIVERSITY. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state.

SECTION 21. MIDWESTERN STATE UNIVERSITY. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state.

SECTION 22. HIGHER EDUCATION COORDINATING BOARD. Sets forth the sum of money that is appropriated out of the Texas Opportunity Plan Fund No. 387 for payment of itemized claims against the state.

SECTION 23. PARKS AND WILDLIFE DEPARTMENT. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state. Sets forth the sum of money that is appropriated out of the Game, Fish, and Water Safety Account No. 009 for payment of certain itemized claims against the state. Sets forth the sums of money that are appropriated out of the State Parks Account No. 064 for payment of certain itemized claims against the state.

SECTION 24. COMPTROLLER--STATE FISCAL. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims against the state. Sets forth the sums of money that are appropriated out of the Local Government Corporate Banking Franchise Tax Fund No. 535 for payment of certain itemized claims against the state. Sets forth the sums of money that are appropriate out of the County Sales Tax Trust Account No. 996 for payment of certain itemized claims against the state.

SECTION 25. TEXAS HOUSE OF REPRESENTATIVES. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state.

SECTION 26. TEXAS STATE TECHNICAL COLLEGE SYSTEM. Sets forth the sums of money that are appropriated out of the General Revenue Fund No. 001 for payment of certain itemized claims and judgments plus interest, if any, against the state.

SECTION 27. UNIVERSITY OF HOUSTON SYSTEM. Authorizes the University of Houston System to expend appropriations made to the University of Houston for the biennium beginning September 1, 1997, for the additional purpose of paying CW Systems, Inc., according to the terms of a judgment in the case of *CW Systems, Inc. v. University of Houston System* in a certain amount from October 7, 1996, until paid.

SECTION 28. TARLETON STATE UNIVERSITY. Sets forth the sum of money that is appropriated out of the General Revenue Fund No. 001 for payment of itemized claims against the state.

SECTION 29. APPROVAL OF CLAIMS AND JUDGMENTS. (a) Requires a claim or judgment, before any claim or judgment may be paid from money appropriated by this Act, to be

verified and substantiated by the administrator of the special fund or account against which the claim is to be charged, and be approved by the attorney general and the comptroller. Prohibits any claim or judgment itemized in this Act that has not been verified and substantiated by the administrator of the special fund or account and approved by the attorney general and the comptroller by August 31, 1998, from being paid from money appropriated by this Act.

(b) Requires each claim to contain such information as the comptroller requires, but at a minimum to contain the specific reason for the claim. Requires the claim, if the claim is for a void warrant, to include a specific identification number of the goods, services, refunds, or other item for which the warrant was originally issued. Requires the claim to include a certification by the original payee or the original payee's successor, heirs, or assigns that the debt is still outstanding. Requires the claim, if the claim is for unpaid goods or services, to be accompanied by an invoice or other acceptable documentation of the unpaid account and any other information that may be required by the comptroller.

SECTION 30. PAYMENTS OF CLAIMS AND JUDGMENTS. Provides that subject to the conditions and restrictions in this Act and provisions stated in the judgments, the comptroller is authorized and directed to issue one or more warrants on the state treasury, as soon as possible following the effective date of this Act, in the favor of each of the individuals, firms, or corporations named in this Act, in an amount not to exceed the amount set opposite their respective names and shall mail and deliver to each of the individuals, firms, or corporations one or more warrants in payment of all claims included in this Act.

SECTION 31. Effective date: September 1, 1997.

SECTION 32. Emergency clause.