

## **BILL ANALYSIS**

Senate Research Center  
76R4414 JRD-D

S.B. 583  
By: Ellis  
State Affairs  
3/23/1999  
As Filed

### **DIGEST**

Currently, a state agency may issue a contract to a provider of goods and services without confirming with the comptroller if a prospective contractor owes any debt or taxes to the state. In an effort to make agencies more accountable for their debts and to decrease overall the debt owed to the state, the attorney general and the comptroller suggested that vendors owing money to the state must have their debts subtracted from the warrants they receive from state contract. S.B. 583 would prohibit a state agency from issuing a contract unless the proposed contractor agrees to certain provisions regarding the contractor's debt or delinquent taxes owed to the state.

### **PURPOSE**

As proposed, S.B. 583 prohibits a state agency from issuing a contract unless the contractor agrees to certain contractual provisions regarding the contractor's debt or delinquent taxes.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the comptroller of public accounts in SECTION 1 (Section 403.055(h), Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 403.055, Government Code, by adding Subsection (h), to require a state agency, prior to issuing a contract to a provider, to verify whether the comptroller is currently prohibited from issuing a warrant to a person under this section. Prohibits a state agency from signing a contract if the comptroller is prohibited from issuing a warrant, unless the person agrees to a contract clause under which any payments owed to the person under the contract will be applied towards the debt or delinquent taxes until the person's taxes are paid in full. Authorizes the comptroller to adopt rules to administer this subsection.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.