

BILL ANALYSIS

Senate Research Center
82R8323 KJM-F

S.B. 1589
By: Ogden
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

At the conclusion of each biennium, there are a number of outstanding claims against the State of Texas for varying amounts of money. Such claims include warrants voided by the statute of limitations, outstanding invoices to private vendors, unpaid charges for Medicaid recipients, and court judgments and settlements. These claims require additional appropriations to be made to honor the state's obligations under the law.

As proposed, S.B. 1589 amends current law relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act, and makes appropriations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Provides that the following sums of money are appropriated from money derived from the settlement of the following lawsuits and held in the suspense account established by the comptroller and the attorney general in the General Revenue Fund Account No. 0001 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Wright & Greenhill, P.C. the following amounts payable under the outside counsel contract OCC No. 2007-302-0012 in connection with the settlement of claims in State of Texas ex rel. Ven-A-Care of the Florida Keys, Inc. v. Mylan Pharmaceuticals USA, et al., Cause No. D-1-GV-07-001259, District Court of Travis County, 201st Judicial District--the amount of \$5,750,000.00 for legal fees and the amount of \$174,222.32 for expenses for a total appropriation of \$5,924,222.32

To pay Wright & Greenhill, P.C. the following amounts payable under the outside counsel contract OCC No. 2007-302-0012 in connection with the settlement of claims in State of Texas ex rel. Ven-A-Care of the Florida Keys, Inc. v. TEVA, et al., Cause No. D-1-GV-07-001259, District Court of Travis County, 201st Judicial District--the amount of \$11,230,010.00 for legal fees and the amount of \$157,093.62 for expenses for a total appropriation of \$11,387,103.62

SECTION 2. Provides that the following sums of money are appropriated out of the General Revenue Fund Account No. 0001 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Securities America Advisors, Inc. for replacement of a void warrant issued on March 9, 2000, for reimbursement of professional fees \$1,760.00

To pay Community Healthcare Services, Inc. for home and community services provided from February 2005 through August 2005 \$142,000.29

To pay Robert S. Kittredge for replacement of a void warrant issued May 14, 1982
\$10.00

To pay Cable Com, Inc. for replacement of a void warrant issued April 24, 1995
\$8,202.44

To pay Linda Clay for replacement of a void warrant issued November 7, 1994 \$77.35

To pay confidential payee for claim number 93M90481 for replacement of a void payroll
warrant issued November 10, 1994 \$565.56

To pay AT&T for telephone services provided from November 2000 to February 2002
\$7,978.41

To pay Young County-District Attorney, 90th District, for attorney's fees for a fraud case
August 13, 1999 \$280.00

To pay Young County-District Attorney, 90th District, for attorney's fees for a fraud case
January 11, 2001 \$280.00

To pay confidential payee for claim 94M00566 for void payroll warrants issued from
January 1986 to March 1992 \$29,776.42

To pay confidential payee for claim 94M00581 for replacement of a void warrant issued
December 17, 1997 \$65.55

To pay BHR Lodging Tenant Company for replacement of a void warrant issued March
16, 2007 \$167,323.45

To pay confidential payee for claim 94M00716 for replacement of a void warrant issued
July 21, 1999 \$1,298.39

To pay confidential payee for claim 94M00753 for replacement of a void warrant issued
July 2, 2001 \$348.54

To pay confidential payee for claim 94M00977 for replacement of a void warrant issued
May 7, 2001 \$576.72

To pay confidential payee for claim 94M01069 for replacement of a void warrant issued
October 2, 2001 \$112.00

To pay The Children's Shelter for foster care provided from March 15, 2006, to
November 9, 2006 \$26,529.00

To pay The Children's Shelter for foster care provided from November 3, 2006, to July
31, 2007 \$14,601.60

To pay The Children's Shelter for foster care provided from December 7, 2006, to August
31, 2007 \$12,728.00

To pay The Children's Shelter for foster care provided from November 1, 2006, to
February 1, 2007 \$11,979.64

To pay The Children's Shelter for foster care provided from March 3, 2007, to August 31,
2007 \$10,144.05

To pay The Children's Shelter for foster care provided from June 27, 2006, to May 3,
2007 \$9,564.39

To pay The Children's Shelter for foster care provided from January 21, 2007, to July 31, 2007	\$6,512.00
To pay the Bexar County Auditor for reimbursement for appointment under Article 11.071, Code of Criminal Procedure, of counsel Robin Norris in case #2004CR1613-W1-Defendant Ramon Hernandez May 2006 to August 2007	\$3,149.31
To pay confidential payee for claim 94M01169 for replacement of a void payroll warrant issued September 17, 2001	\$384.79
To pay City of Corpus Christi 80 percent reimbursement for engineering services provided from September 1, 2006, to August 31, 2007	\$192,680.95
To pay confidential payee for claim 94M10076 for replacement of a void warrant issued June 28, 1995	\$500.00
To pay Christopher Patrick Cotter for replacement of a void warrant issued November 16, 2001	\$100.00

SECTION 3. Provides that the following sums of money are appropriated out of the State Highway Fund No. 0006 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Thomas Williams for attorney's fees and court costs plus interest per judgment Cause No. GN-503758 in claim No. 90T00005	\$992,555.50
To pay AT&T for utility adjustment for widening project September 1, 2003, to August 31, 2004	\$329,376.20
To pay City of Lewisville for Timber Creek Bike Trail Project October 2003 to August 2004	\$4,445.14
To pay Paline Pipeline Company, a subsidiary of Lion Oil Company, for utility adjustment on IH-10/Dewitt Road to KCS Railroad February 2006 to June 2006	\$116,032.06
To pay City of Garland for design construction completed February 9, 2001	\$7,956.00
To pay U.S. Customs and Border Protection for replacement warrant issued June 13, 2007	\$281,659.00
To pay Gaston Water Supply Corp for relocation of water line along proposed Loop 571 completed March 12, 1999	\$27,437.22
To pay City of Hurst for engineering services provided from September 1, 2003, to August 31, 2004	\$32,452.93
To pay American Electric Power for utility adjustment on FM899, Titus County from February 2007 to August 2007	\$212,824.88
To pay City of El Paso for cost incurred on project No. 2552-012-035 for December 1, 2006, to August 31, 2007	\$168,021.69
To pay Bexar Metropolitan Water District for engineering and inspection services for utility relocation, Loop 410 at Zarzamora and Highway 16, San Antonio, February 22, 2006	\$121,656.80
To pay Florida Gas Transmission Company for utility adjustment relocation completed May 2004	\$116,397.75

To pay the County of Dallas Public Works Department for engineering services provided from March 26, 1999, to May 16, 2005 \$9,700.65

To pay the County of Dallas Public Works Department for engineering services provided from May 26, 1999, to June 25, 1999 \$644.93

SECTION 4. Provides that the following sums of money are appropriated out of the General Revenue-Vital Statistics Fund Account No. 0019 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay J. D. Gaona for replacement of a void warrant issued August 1, 2000 \$202.05

SECTION 5. Provides that the following sums of money are appropriated out of the General Revenue-Hazardous and Solid Waste Remediation Fees Account, No. 0550 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Weston Solutions, Inc. for engineering and remediation services provided from August 11, 2006, to February 2, 2007 \$185,000.00

SECTION 6. Provides that the following sums of money are appropriated out of the Veterans Land Bond Series 1986 Refunding Fund No. 0571 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Fannin County Title Company for replacement of a void warrant issued July 21, 1999 \$237.33

SECTION 7. Provides that the following sums of money are appropriated out of the General Revenue-Petroleum Storage Tank Remediation Fund Account No. 0655 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Wells Fargo Bank NA Unclaimed Property for replacement of a void warrant issued December 5, 2008 \$123,774.23

SECTION 8. Provides that the following sums of money are appropriated out of the Unemployment Compensation Clearance Account No. 0936 for payment of itemized claims and judgments plus interest, if any, against the State of Texas:

To pay Leila Elias Fanous for replacement of a void surplus tax credit warrant issued October 19, 2001 \$20.02

To pay The Seideman Law Firm for replacement of a void surplus tax credit warrant issued March 19, 2001 \$26.73

To pay The Seideman Law Firm for replacement of a void surplus tax credit warrant issued May 8, 2000 \$19.24

SECTION 9. (a) Requires that any claim or judgment, before the claim or judgment is authorized to be paid from money appropriated by this Act, be verified and substantiated by the administrator of the special fund or account against which the claim or judgment is to be charged and be approved by the attorney general and the comptroller of public accounts (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, 2012, from being paid from money appropriated by this Act.

(b) Requires that each claim or judgment paid from money appropriated by this Act contain such information as the comptroller requires but at a minimum contain the specific reason for the claim or judgment. Requires that the claim, if the claim is for a void warrant, include a specific identification of the goods, services, refunds, or other items for which the warrant was originally issued. Requires that the claim or judgment, in addition, include a certification by the original payee or the original payee's successors,

heirs, or assigns that the debt is still outstanding. Requires that the claim or judgment, if the claim or judgment is for unpaid goods or services, 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 10. 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 favor of each of the individuals, firms, or corporations named or claim numbers identified in this Act, in an amount not to exceed the amount set opposite their respective names or claim numbers and is required to mail or deliver to each of the individuals, firms, or corporations associated with each claim one or more warrants in payment of all claims included in this Act.

SECTION 11. Effective date: September 1, 2011.