

CHAPTER 104

H.B. No. 901

AN ACT

relating to contracts made by local governments.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 262.031(b), Local Government Code, is amended to read as follows

(b) If a change order involves an increase or decrease in cost of \$15,000 or less, the commissioners court may grant general authority to an employee to approve the change orders. However, the original contract price may not be increased by more than 25 percent *unless the change order is necessary to comply with a federal or state statute, rule, regulation, or judicial decision enacted, adopted, or rendered after the contract was made*. The original contract price may not be decreased by 18 percent or more without the consent of the contractor.

SECTION 2. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.903 to read as follows:

Sec. 271.903. COMMITMENT OF CURRENT REVENUE. (a) If a contract for the acquisition, including lease, of real or personal property retains to the governing body of a local government the continuing right to terminate at the expiration of each budget period of the local government during the term of the contract, is conditioned on a best efforts attempt by the governing body to obtain and appropriate funds for payment of the contract, or contains both the continuing right to terminate and the best efforts conditions, the contract is a commitment of the local government's current revenues only.

(b) In this section, "local government" means a municipality, county, school district, special purpose district or authority, or other political subdivision of this state.

SECTION 3. Section 271.005(b), Local Government Code, is repealed.

SECTION 4. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on March 30, 1993: Yeas 132, Nays 5, 1 present, not voting; the House concurred in Senate amendments to H.B. No. 901 on April 26, 1993: Yeas 131, Nays 0, 2 present, not voting; passed by the Senate, with amendments, on April 22, 1993: Yeas 30, Nays 0.

Approved May 7, 1993.

Effective May 7, 1993.