

BILL ANALYSIS

C.S.H.B. 2832
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Delivery of Government Efficiency
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The bill author has informed the committee that states often receive money from the federal government through grants and funding programs. This money can go to pay for a variety of state projects such as infrastructure, public safety, education, and economic development. While this money can be used to benefit Texas, the bill author has also informed the committee that strings can often be attached to the acceptance of these grants and programs, binding a state to certain conditions of an agreement. Sometimes, these binding conditions require a state to perform tasks that might be contrary to their political, legal, cultural, or moral beliefs. C.S.H.B. 2832 seeks to ensure that state leaders are informed about the conditions and obligations tied to federal funding by establishing reporting requirements for the acceptance of federal funds by a state agency.

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

C.S.H.B. 2832 amends the Government Code to require a state agency that accepts federal money to submit to the comptroller a report that includes the following:

- the amount, source, and intended use of the money;
- a detailed description of each condition or limitation that will be imposed on the agency as a result of the agency accepting the money; and
- an estimate of the cost to implement those conditions and limitations.

The bill defines "state agency" as an agency, department, commission, bureau, board, office, council, court, or other entity that is in any branch of state government, including a public institution of higher education, and that is created by the state constitution or a state statute. The bill requires the comptroller to adopt the form to be used by a state agency for purposes of making the report and, on receipt of the report, to provide a copy of the report to the governor, lieutenant governor, speaker of the house of representatives, and each other member of the legislature.

C.S.H.B. 2832 applies only to federal money that is accepted by a state agency on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2832 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits the introduced version's provisions that do the following:

- prohibit a state agency from accepting federal money unless the agency first submits to the comptroller, and the comptroller approves, a request to accept the money;
- require such a request by a state agency to include a detailed description of each condition or limitation that will be imposed on the agency if the agency accepts the money and an estimate of the cost to implement those conditions and limitations;
- establish that a state agency is not required to submit such a request under the following circumstances:
 - the agency previously submitted a request under the introduced version's provisions to accept federal money from the same source and for the same purposes;
 - the comptroller approved the previously submitted request; and
 - no conditions or limitations other than those described in the previously submitted request will be imposed on the agency if the agency accepts the federal money, as determined by the agency;
- require the comptroller to do the following with respect to a state agency's request to accept federal money:
 - review and approve or deny such a request as soon as practicable after receipt;
 - communicate that decision to the state agency before the passing of any applicable federal deadline regarding receipt of the money of which the comptroller is made aware in the request; and
- require the comptroller to adopt rules necessary to administer the introduced version's provisions, including a rule prescribing the form to be used by a state agency for purposes of making a request under those provisions.

The substitute instead sets out the following requirements:

- a requirement for a state agency that accepts federal money to submit to the comptroller a report that includes the following:
 - the amount, source, and intended use of the money;
 - a detailed description of each condition or limitation that will be imposed on the agency as a result of the agency accepting the money; and
 - an estimate of the cost to implement those conditions and limitations; and
- a requirement for the comptroller to adopt the form to be used by a state agency for purposes of making the report.

Accordingly, the substitute omits the introduced version's requirement for the comptroller, on receipt of a request under the introduced version's provisions, to provide a copy of the request to the governor, lieutenant governor, speaker of the house of representatives, and chairs of the standing legislative committees with primary jurisdiction over appropriations, by doing the following:

- requiring the comptroller instead to submit a copy of a report under the substitute's provisions; and
- removing the chairs of the standing legislative committees with primary jurisdiction over appropriations as requisite recipients and including as such recipients each other member of the legislature.

Whereas the introduced applied only to federal money made available for receipt by a state agency on or after the bill's effective date, the substitute applies only to federal money that is accepted by a state agency on or after that date.