

By: Rodríguez

S.B. No. 836

A BILL TO BE ENTITLED

AN ACT

relating to a contract or other agreement between certain governmental entities and a credit services organization or related business.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter Z, Chapter 2252, Government Code, is amended by adding Section 2252.909 to read as follows:

Sec. 2252.909. CERTAIN CONTRACTS PROHIBITED. (a) In this section:

(1) "Credit access business" has the meaning assigned by Section 393.601, Finance Code.

(2) "Credit services organization" has the meaning assigned by Section 393.001, Finance Code.

(3) "Governmental entity" includes a municipality, a county, a state agency, and a toll project entity as defined by Section 372.001, Transportation Code.

(b) A governmental entity may not enter into any contract or other agreement with:

(1) a credit access business or other credit services organization;

(2) a business that operates in the same retail space as a credit access business or other credit services organization;
or

(3) a business that is owned by a business entity that

1 owns a credit access business or other credit services
2 organization.

3 (c) A business that enters into any contract or other
4 agreement with a governmental entity may not subcontract with a
5 credit access business or other credit services organization to
6 perform work under the contract or agreement.

7 (d) A governmental entity shall include, as a term of any
8 contract or other agreement entered into by the entity, a provision
9 that prohibits a party to the contract or agreement from
10 subcontracting with a credit access business or other credit
11 services organization to perform work under the contract or
12 agreement.

13 SECTION 2. The change in law made by this Act applies only
14 to a contract or other agreement that is entered into or renewed on
15 or after the effective date of this Act. A contract or other
16 agreement entered into or renewed before the effective date of this
17 Act is governed by the law as it existed immediately before the
18 effective date of this Act, and that law is continued in effect for
19 that purpose.

20 SECTION 3. This Act takes effect September 1, 2017.