

House Research Act Summary

CHAPTER: 187

SESSION: 2014 Regular Session

TOPIC: State Grant Agreements

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Section

- 1** **Creation and validity of grant agreements.** In a law specifying requirements for state grant agreements, inserts a reference to a new exception proposed in the next section of this bill.
- 2** **Encumbrance exception.** Under current law, a grant agreement is not valid until the state accounting system shows an encumbrance for the amount of the grant. This section provides that state agencies may permit a specifically named, legislatively appropriated, noncompetitive grant recipient to incur expenses based on an agreed upon work plan and budget for up to 60 days before an encumbrance is established in the state accounting system. For a grant funded with state general obligation bond proceeds, this requires approval of the Commissioner of Management and Budget.
- 3** **Creation and validity of contracts.** In a law governing validity of state contract, inserts a reference to the new exception proposed in the prior section of this bill.