

BILL ANALYSIS

Senate Research Center

S.B. 804
By: Brown
Intergovernmental Relations
3-24-97
As Filed

DIGEST

Currently, Texas law requires cities to purchase most goods from the lowest bidder according to a competitive sealed bid system; it also requires bidders to compete on a "level playing field," meaning that bid specifications cannot be so restrictive as to restrict potential bidders. This rule applies even when a city buys goods for resale to the public at a city concession facility. Thus, a city golf course cannot specify a particular brand of golf balls or equipment for sale in its pro shop, even though the customers prefer that brand and refuse to buy any other. There are currently 13 exceptions to the provision requiring cities to purchase goods from the lowest bidder. This bill would provide an additional exception to current law, for goods purchased for subsequent retail sale by a municipality.

PURPOSE

As proposed, S.B. 804 provides an exception to provisions requiring municipalities to purchase goods from the lowest bidder for goods purchased by a municipality for subsequent retail sale by a municipality.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 252.022(a), Local Government Code, to provide that this chapter does not apply to an expenditure for goods purchased by a municipality for subsequent retail sale by the municipality.

SECTION 2. Emergency clause.
Effective date: upon passage.