

## **BILL ANALYSIS**

Senate Research Center  
76R15976 CAG-D

C.S.H.B. 2787  
By: Eiland (Jackson)  
Intergovernmental Relations  
5/14/1999  
Committee Report (Substituted)

### **DIGEST**

Currently, local governments are required to take a bidder's lowest bid regardless of the bidder's place of business. C.S.H.B. 2787 allows counties to accept bids which are offered by a business whose principal place of business is within the locality whose bid is within three percent of the lowest bid price.

### **PURPOSE**

As proposed, C.S.H.B. 2787 allows counties to accept bids which are offered by a business whose principal place of business is within the locality whose bid is within three percent of the lowest bid price.

### **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 Chapter 271Z, Local Government Code, by adding Section 271.905, as follows:

Sec. 271.905. CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS. Defines "local government." Authorizes a local government, in purchasing real property or personal property that is not affixed to real property, to enter into a contract with the lowest bidder or the bidder whose principal place of business is within the locality, under certain conditions, if it receives one or more bids from certain bidders whose bids are within three percent of the lowest bid. Provides that this section does not prohibit a local government from rejecting all bids.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Emergency clause.  
Effective date: upon passage.