

## **BILL ANALYSIS**

Senate Research Center  
76R6147 DRH-D

S.B. 507  
By: Duncan  
Intergovernmental Relations  
3/23/1999  
As Filed

### **DIGEST**

Currently, cities with a population of less than 100,000 wishing to enter into a contract for insurance must comply with the procedures prescribed for competitive sealed bidding. S.B. 507 would establish requirements relating to purchases by municipalities through a competitive bidding procedure.

### **PURPOSE**

As proposed, S.B. 507 relates to purchases by municipalities through a competitive procedure.

### **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 252.021, Local Government Code, to require a municipality to comply with certain procedures for competitive sealed bids, before the municipality may enter into a contract requiring an expenditure of more than \$5,000, rather than \$15,000, from municipal funds. Deletes text regarding certain municipalities complying with procedures when entering into a contract for insurance requiring an expenditure of more than \$5,000 from municipal funds. Makes conforming changes.

SECTION 2. Effective date: September 1, 1999.  
Makes application of this Act prospective.

SECTION 3. Emergency clause.