BILL ANALYSIS

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. C.S.S.B. 507 would establish requirements relating to purchases by municipalities through a competitive bidding procedure.

PURPOSE

As proposed, C.S.S.B. 507 sets forth 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 Sections 252.021(b) and (c), Local Government Code, to provide that before a municipality with a population of less than 75,000, rather than 100,000 may enter into a contract for insurance that requires an expenditure of more than $5,000 from one or more municipal funds the municipality must comply with a certain bidding process. Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

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

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

> Amends Sections 252.021(b) and (c), Local Government Code, to decrease the size of the a municipalities to 75,000, from 100,000, which may enter into certain insurance contracts. Changes the effective date to occur upon passage.