

BILL ANALYSIS

Senate Research Center
81R9863 JTS-D

H.B. 2082
By: Isett (Duncan)
Intergovernmental Relations
5/15/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 664, as enacted by the 79th Legislature, Regular Session, 2005, allows local municipalities and school districts to accept bids from a local company in a procurement process as long as the bid is within five percent of the lowest bid. The intent of the bill was to allow local governances to make small purchases from local businesses at minimal expense to the taxpayer. Unfortunately, the law did not set a maximum amount for such a contract. This has led municipalities to award large contracts to local bidders, which, while in keeping with the statute, has led to exponentially more expense to the taxpayer than intended.

H.B. 2082 amends the Local Government Code to limit a contract amount to less than \$100,000 when a municipality with a population of less than 250,000 persons receives one or more bids for the purchase of real property, personal property not affixed to real property, or services, from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 271.9051(b), Local Government Code, to authorize the municipality, in purchasing under this title any real property, personal property that is not affixed to real property, or services, to enter into a contract for an expenditure of less than \$100,000 with certain bidders if a municipality receives one or more competitive sealed bids from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident of the municipality.

SECTION 2. Effective date: upon passage or September 1, 2009.