

By: Middleton

H.B. No. 1649

A BILL TO BE ENTITLED

AN ACT

relating to bids or proposals required for insurance and risk pool contracts entered into by a school district, municipality, or county.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter B, Chapter 44, Education Code, is amended by adding Section 44.0315 to read as follows:

Sec. 44.0315. BIDS OR PROPOSALS REQUIRED FOR INSURANCE OR RISK POOL CONTRACTS. (a) Except as provided by Subsection (b), and regardless of whether the contract is subject to competitive bidding requirements, a school district may not enter into an insurance or risk pool contract unless:

(1) the school district receives at least two bids or proposals from different persons for the contract; and

(2) the school district files the contract with the Texas Department of Insurance.

(b) Subsection (a) does not apply to an insurance or risk pool contract if only one source is available for the type of coverage in the contract.

SECTION 2. Subchapter B, Chapter 252, Local Government Code, is amended by adding Section 252.025 to read as follows:

Sec. 252.025. BIDS OR PROPOSALS REQUIRED FOR INSURANCE OR RISK POOL CONTRACTS. Except as provided by Section 252.022(a)(7), and regardless of whether the contract is subject to competitive

1 bidding requirements, a municipality may not enter into an  
2 insurance or risk pool contract unless:

3 (1) the municipality receives at least two bids or  
4 proposals from different persons for the contract; and

5 (2) the municipality files the contract with the Texas  
6 Department of Insurance.

7 SECTION 3. Subchapter C, Chapter 262, Local Government  
8 Code, is amended by adding Section 262.0232 to read as follows:

9 Sec. 262.0232. BIDS OR PROPOSALS REQUIRED FOR INSURANCE OR  
10 RISK POOL CONTRACTS. (a) Except as provided by Subsection (b), and  
11 regardless of whether the contract is subject to competitive  
12 bidding requirements, a county may not enter into an insurance or  
13 risk pool contract unless:

14 (1) the county receives at least two bids or proposals  
15 from different persons for the contract; and

16 (2) the county files the contract with the Texas  
17 Department of Insurance.

18 (b) Subsection (a) does not apply to an insurance or risk  
19 pool contract if only one source is available for the type of  
20 coverage in the contract.

21 SECTION 4. The changes in law made by this Act apply only to  
22 a contract entered into on or after the effective date of this Act.

23 SECTION 5. This Act takes effect September 1, 2021.