

By: Walle, et al.

H.B. No. 4437

A BILL TO BE ENTITLED

AN ACT

relating to the authority of certain counties to consider a prospective contractor's principal place of business when awarding certain contracts.

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

SECTION 1. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.909 to read as follows:

Sec. 271.909. CONSIDERATION OF LOCATION OF BIDDER'S PRINCIPAL PLACE OF BUSINESS FOR AWARDING CERTAIN COUNTY CONTRACTS.

(a) This section applies only to a county with a population of more than 3.3 million.

(b) A county may award a contract for services or for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property to a bidder whose principal place of business is in the county or in a contiguous county if:

(1) the bid or proposed price submitted by the bidder is within three percent of the lowest bid or proposed price received by the county from a bidder with the ability to perform the contract that does not have a principal place of business in the county or in a contiguous county; and

(2) the commissioners court determines, in writing, that the bid or proposal of the bidder offers the county the best combination of contract price, ability to perform the contract,

1 and additional economic development opportunities for the county
2 created by the contract award, including the employment of
3 residents of the county and increased tax revenues to the county.

4 (c) This section does not prohibit a county from rejecting
5 all bids.

6 (d) This section does not apply to a contract for
7 professional services governed by Subchapter A, Chapter 2254,
8 Government Code.

9 (e) A county may not award a contract to a bidder under this
10 section if a person who approves the contract is related to the
11 bidder within the third degree by consanguinity or within the
12 second degree by affinity, as described by Subchapter B, Chapter
13 573, Government Code.

14 (f) A county may not award a contract to a bidder under this
15 section if a person who approves the contract has financial ties to
16 the bidder.

17 SECTION 2. The change in law made by this Act applies only
18 to a contract for which a county first advertises or otherwise
19 solicits bids, proposals, offers, or qualifications or makes a
20 similar solicitation on or after the effective date of this Act. A
21 contract for which a county first advertises or otherwise solicits
22 bids, proposals, offers, or qualifications or makes a similar
23 solicitation before the effective date of this Act is governed by
24 the law in effect on the date the advertisement or solicitation was
25 made, and that law is continued in effect for that purpose.

26 SECTION 3. This Act takes effect September 1, 2021.