

By: Manuel

H.B. No. 1198

A BILL TO BE ENTITLED

1 AN ACT
2 relating to consideration of the location of a bidder's principal
3 place of business in certain municipal contracts.

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

5 SECTION 1. Section 271.9051(b), Local Government Code, is
6 amended to read as follows:

7 (b) In purchasing under this title any real property,
8 personal property that is not affixed to real property, or
9 services, if a municipality receives one or more competitive sealed
10 bids from a bidder whose principal place of business is in the
11 municipality and whose bid is within five percent of the lowest bid
12 price received by the municipality from a bidder who is not a
13 resident of the municipality, the municipality may enter into a
14 contract for construction services [~~in an amount of less than~~
15 ~~\$100,000~~] or [~~a contract for~~] other purchases in an amount of less
16 than \$500,000 with:

- 17 (1) the lowest bidder; or
18 (2) the bidder whose principal place of business is in
19 the municipality if the governing body of the municipality
20 determines, in writing, that the local bidder offers the
21 municipality the best combination of contract price and additional
22 economic development opportunities for the municipality created by
23 the contract award, including the employment of residents of the
24 municipality and increased tax revenues to the municipality.

1 SECTION 2. The change in law made by this Act applies only
2 to a contract for which the initial notice soliciting bids is given
3 on or after the effective date of this Act. A contract for which the
4 initial notice soliciting bids is given before the effective date
5 of this Act is governed by the law in effect on the date the initial
6 notice is given, and the former law is continued in effect for that
7 purpose.

8 SECTION 3. This Act takes effect September 1, 2025.