

BILL ANALYSIS

H.B. 211
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

House Bill 211 amends chapter 252 of the Local Government Code, *Purchasing and Contracting Authority of Municipalities*. Chapter 252 contains the fundamental requirements that cities seek competitive bids for purchases over \$25,000, with certain exemptions and exceptions. Chapter 252 makes it a Class B misdemeanor to violate the competitive biddings requirement. Other violations of chapter 252 by city officials and employees may be prosecuted as a Class C misdemeanor. Chapter 252 comprises the following subchapters:

- Subchapter A. General Provisions.
- Subchapter B. Competitive Bidding or Competitive Proposals Required.
- Subchapter C. Procedures.
- Subchapter D. Enforcement.

H.B. 211 amends § 252.021, in subchapter B, which contains the requirement for bidding over \$25,000. Under current law, § 252.021, cities with a population under 75,000 must purchase insurance requiring an expenditure of \$5,000 or more on a competitive sealed bid basis. H.B. 211 would lower that population figure to 25,000.

Also under current law, cities over 75,000 may employ a competitive sealed proposal procedure for insurance purchases. H.B. 211 likewise lowers the population from 75,000 to 25,000.

RULEMAKING AUTHORITY

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

ANALYSIS

SECTION 1. Amends Local Government Code § 252.021(b), (c) to require cities under 25,000 population to competitively purchase insurance that requires an expenditure exceeding \$5,000, and to allow cities with a population of 25,000 or more to purchase insurance with a competitive sealed proposal procedure.

SECTION 2. Prospective application.

SECTION 3. Effective date.

EFFECTIVE DATE: Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.