

BILL ANALYSIS

C.S.S.B. 850
By: Lindsay
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas cities, counties, and school districts are prohibited from taking into consideration anything other than general qualifications and price in awarding bid contracts. However, some bidders who have been awarded contracts owe the city, county, or school district back taxes. As proposed, SB 850 allows cities, counties, and school districts to consider whether a bidder has paid their ad valorem taxes to the entity seeking the bid proposal and to refuse to contract with a person or firm so indebted.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Chapter 252C, Local Government Code, by adding Section 252.0436, as follows: Sec. 252.0436. CONTRACT WITH PERSON INDEBTED TO MUNICIPALITY. (a) Authorizes a municipality by ordinance to establish regulations permitting the municipality to refuse to enter into a contract with a person indebted to the municipality. (b) Provides that it is not a violation of this chapter for a municipality, under regulations adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the municipality. (c) Defines "person."

SECTION 2. Amends Chapter 262C, Local Government Code, by adding Section 262.0276, as follows: Sec. 262.0276. CONTRACT WITH PERSON INDEBTED TO COUNTY. (a) Authorizes the commissioners court, by an order adopted and entered in the minutes of the commissioners court and after notice is published in a newspaper of general circulation in the county, to adopt rules permitting the county to refuse to enter into a contract with a person indebted to the county. (b) Provides that it is not a violation of this subchapter for a county, under rules adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the county. (c) Defines "person."

SECTION 3. Amends Chapter 44B, Education Code, by adding Section 44.044, as follows: Sec. 44.044. CONTRACT WITH PERSON INDEBTED TO SCHOOL DISTRICT. (a) Authorizes the board of trustees of a school district by resolution to establish regulations permitting the school district to refuse to enter into a contract with a person indebted to the school district. (b) Provides that it is not a violation of this subchapter for a school district, under regulations adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the school district. (c) Defines "person."

SECTION 4. Effective Date.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The committee substitute includes two technical changes to the bill. "OR FIRM" is removed from each section title of the bill, on lines 7 and 23 of page 1 and line 16 on page 2. "Person" is clearly defined in the bill, "or firm" is redundant. To ensure all contracts and transactions a local governmental entity or school district may enter into are covered -- where competitive bidding statutes apply -- the phrases "or other transaction" or "enter into a transaction with" were added after the word "contract" in each paragraph of the bill.

