

AN ACT

relating to allowing local governments and school districts to prohibit contracts or other transactions with delinquent taxpayers.

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

SECTION 1. Subchapter C, Chapter 252, Local Government Code, is amended by adding Section 252.0436 to read as follows:

Sec. 252.0436. CONTRACT WITH PERSON INDEBTED TO MUNICIPALITY. (a) A municipality by ordinance may establish regulations permitting the municipality to refuse to enter into a contract or other transaction with a person indebted to the municipality.

(b) It is not a violation of this chapter for a municipality, under regulations adopted under Subsection (a), to refuse to award a contract to or enter into a transaction with an apparent low bidder or successful proposer that is indebted to the municipality.

(c) In this section, "person" includes an individual, sole proprietorship, corporation, nonprofit corporation, partnership, joint venture, limited liability company, and any other entity that proposes or otherwise seeks to enter into a contract or other transaction with the municipality requiring approval by the governing body of the municipality.

SECTION 2. Subchapter C, Chapter 262, Local Government

1 Code, is amended by adding Section 262.0276 to read as follows:

2 Sec. 262.0276. CONTRACT WITH PERSON INDEBTED TO COUNTY.

3 (a) By an order adopted and entered in the minutes of the
4 commissioners court and after notice is published in a newspaper of
5 general circulation in the county, the commissioners court may
6 adopt rules permitting the county to refuse to enter into a contract
7 or other transaction with a person indebted to the county.

8 (b) It is not a violation of this subchapter for a county,
9 under rules adopted under Subsection (a), to refuse to award a
10 contract to or enter into a transaction with an apparent low bidder
11 or successful proposer that is indebted to the county.

12 (c) In this section, "person" includes an individual, sole
13 proprietorship, corporation, nonprofit corporation, partnership,
14 joint venture, limited liability company, and any other entity that
15 proposes or otherwise seeks to enter into a contract or other
16 transaction with the county requiring approval by the commissioners
17 court.

18 SECTION 3. Subchapter B, Chapter 44, Education Code, is
19 amended by adding Section 44.044 to read as follows:

20 Sec. 44.044. CONTRACT WITH PERSON INDEBTED TO SCHOOL

21 DISTRICT. (a) The board of trustees of a school district by
22 resolution may establish regulations permitting the school
23 district to refuse to enter into a contract or other transaction
24 with a person indebted to the school district.

25 (b) It is not a violation of this subchapter for a school
26 district, under regulations adopted under Subsection (a), to refuse
27 to award a contract to or enter into a transaction with an apparent

1 low bidder or successful proposer that is indebted to the school
2 district.

3 (c) In this section, "person" includes an individual, sole
4 proprietorship, corporation, nonprofit corporation, partnership,
5 joint venture, limited liability company, and any other entity that
6 proposes or otherwise seeks to enter into a contract or other
7 transaction with the school district requiring approval by the
8 board.

9 SECTION 4. This Act takes effect September 1, 2003.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 850 passed the Senate on April 3, 2003, by the following vote: Yeas 31, Nays 0; and that the Senate concurred in House amendment on May 9, 2003, by a viva-voce vote.

Secretary of the Senate

I hereby certify that S.B. No. 850 passed the House, with amendment, on May 6, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor