

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**February 17, 2005**

**TO:** Honorable Ray Allen, Chair, House Committee on County Affairs

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB664** by Isett (Relating to consideration of a bidder's principal place of business in awarding certain municipal and school district contracts.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
---

The bill would amend the Local Government Code as it relates to purchasing from a bidder whose principal place of business is located in the local government's boundaries, to include services that could be purchased through the bid process. The bill would also change from 3 percent to 5 percent as the limit to how much higher the bid may be than the lowest bidder if the bid is awarded to a business located in the local government rather than to the lowest bidder if the lowest bidder's place of business is not in the local government area.

The bill would also amend the Education Code to authorize a school district to consider a bidder's or offeror's principal place of business when awarding a contract, in accordance with the Local Government Code that allows awarding to other than the lowest bidder when the place of business is located in the local government's boundaries.

The bill would take effect September 1, 2005 and would apply only to a contract for which the initial notice soliciting bids or proposals is given on or after that date.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:**

**LBB Staff:** JOB, DLBa