

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 21, 2005

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

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.), **Committee Report 2nd House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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The bill would amend the Local Government Code to authorize a municipality with a population of less than 250,000, when considering competitive sealed bids, to enter into a contract for certain purchases with a bidder whose principal place of business is in the municipality and whose bid is within 5 percent of the lowest bid if the lowest bid is from a business outside the municipality and contracting with the local bidder would provide the best combination price and other economic benefits to the municipality.

The bill would amend the Education Code to authorize a school district that has its central administrative office located in a municipality with a population of less than 250,000 to award a contract to a bidder other than the lowest bidder if the circumstances are the same as described above for a municipality.

The bill would take effect September 1, 2005 and would apply only to a contract for which the initial notice soliciting bids 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