

By: Kuempel

H.B. No. 1764

A BILL TO BE ENTITLED

AN ACT

relating to the purchasing methods available to a county when paying with certain funds.

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

SECTION 1. Section 262.023, Local Government Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) The requirements established by Subsection (a) apply to contracts for which payment will be made from current funds or bond funds or through anticipation notes authorized by Chapter 1431, Government Code, or time warrants. Contracts for which payments will be made through certificates of obligation are governed by The Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271). ~~[Contracts for which payment will be made through anticipation notes are subject to the competitive bidding provisions of The Certificate of Obligation Act of 1971 (Subchapter C, Chapter 271) in the same manner as certificates of obligation.]~~

(b-1) A county that complies with a method described by Subchapter H, Chapter 271, as provided by Subsection (a)(3), to enter into a contract for which payment will be made through anticipation notes authorized by Chapter 1431, Government Code, may not issue anticipation notes for the payment of that contract in an amount that exceeds the lesser of:

(1) 20 percent of the county's budget for the fiscal

1 year in which the county enters into the contract; or

2 (2) \$10 million.

3 SECTION 2. The changes in law made by this Act apply only to
4 a contract entered into on or after the effective date of this Act.
5 A contract entered into before the effective date of this Act is
6 governed by the law in effect when the contract was entered into,
7 and the former law is continued in effect for that purpose.

8 SECTION 3. This Act takes effect September 1, 2007.