

By: Martinez Fischer

H.B. No. 3506

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a municipality to enter into contracts without competitive bidding; making conforming changes.

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

SECTION 1. Section 252.021(a), Local Government Code, is amended to read as follows:

(a) Before a municipality may enter into a contract that requires an expenditure of more than \$50,000 [~~\$25,000~~] from one or more municipal funds, the municipality must:

(1) comply with the procedure prescribed by this subchapter and Subchapter C for competitive sealed bidding or competitive sealed proposals;

(2) use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or

(3) comply with a method described by Subchapter H, Chapter 271.

SECTION 2. Section 252.0215, Local Government Code, is amended to read as follows:

Sec. 252.0215. COMPETITIVE BIDDING IN RELATION TO HISTORICALLY UNDERUTILIZED BUSINESS. A municipality, in making an expenditure of more than \$3,000 but less than \$50,000 [~~\$25,000~~], shall contact at least two historically underutilized businesses on a rotating basis, based on information provided by the Texas Building and Procurement [~~General Services~~] Commission pursuant to

1 Chapter 2161, Government Code. If the list fails to identify a
2 historically underutilized business in the county in which the
3 municipality is situated, the municipality is exempt from this
4 section.

5 SECTION 3. The change in law made by this Act to Section
6 252.021(a), Local Government Code, applies only to a contract
7 entered into on or after the effective date of this Act, and the
8 change in law made by this Act to Section 252.0215, Local Government
9 Code, applies only to an expenditure made on or after the effective
10 date of this Act. A contract entered into or expenditure made
11 before the effective date of this Act is governed by the law in
12 effect when the contract was entered into or the expenditure was
13 made, and the former law is continued in effect for that purpose.

14 SECTION 4. This Act takes effect September 1, 2007.