

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

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 16, 2007**

**TO:** Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

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

**IN RE: HB3517** by Creighton (Relating to competitive purchasing requirements for local governments.), **Committee Report 2nd House, Substituted**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Local Government Code to remove restrictions on municipalities of a certain population size regarding the purchase of insurance. In addition, the bill would authorize a municipality to use the competitive sealed proposal procedure for the purchase of goods or services. A municipality would be required to determine the best value for the municipality if it were to consider a method of purchasing other than sealed bid. The bill would also exempt the purchase of a vehicle and equipment repairs from certain purchasing requirements.

The bill would amend the Local Government Code to add a conservation and reclamation district in a county with a population of 250,000 or more to those governmental entities to which the Public Property Finance Act would apply.

The bill would amend the Health and Safety Code to increase from \$25,000 to \$50,000 the minimum expenditure for certain items or services that would require an emergency service district board to submit to competitive bids.

The bill would take effect September 1, 2007.

**Local Government Impact**

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

**Source Agencies:**

**LBB Staff:** JOB, MN, DB