

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 5, 2007

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

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

IN RE: SB1765 by Watson (Relating to the authority of a municipality to enter into contracts without competitive bidding; making conforming changes.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would raise from \$25,000 to \$50,000 the minimum amount of an expenditure from one or more municipal funds requiring certain actions by a municipality before it may enter into a contract for that expenditure.

The bill would raise from between \$3,000 and \$25,000 to between \$3,000 and \$50,000 the amount of an expenditure for which a municipality would be required to contact at least two historically underutilized businesses on a rotating basis when making the expenditure.

The proposed changes in statute would apply only to a contract entered into on or after the effective date of the bill, which would be September 1, 2007.

Local Government Impact

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

Source Agencies:

LBB Staff: JOB, DB