

## **BILL ANALYSIS**

H.B. 78  
By: Flynn  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Current law requires counties to use competitive bidding or competitive proposal procedures for contractual expenditures exceeding \$25,000. The competitive purchase limit for Texas cities was increased from \$25,000 to \$50,000 by the 80th Legislature, Regular Session, 2007, while the county bid limit has not been changed since 1999. Due to the effects of inflation and costs of implementation of current purchasing procedures, the present bid limit has been rendered inefficient and burdensome. The difference in bid limits between cities and counties has caused confusion among citizens, vendors, and public officials. H.B. 78 creates consistency between cities and counties in competitive bidding matters.

H.B. 78 increases the threshold amount above which an expenditure is subject to a competitive bid from \$25,000 to \$50,000 for certain county expenditures.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 78 amends the Local Government Code to increase from \$25,000 to \$50,000 the threshold amount above which a county's expenditure for a purchase from a small, sole-source supplier is subject to competitive bidding requirements. The bill increases from \$25,000 to \$50,000 the threshold amount above which a contract expenditure by a county is subject to specific procurement procedures. The bill increases from \$25,000 to \$50,000 the threshold amount above which a county expenditure on a contract for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property is subject to competitive bidding procedures. The bill increases from \$25,000 to \$50,000 the threshold amount above which a purchasing contract entered into by the governing board of a crime control and prevention district is subject to competitive bidding procedures.

### **EFFECTIVE DATE**

September 1, 2009.