

## **BILL ANALYSIS**

H.B. 2082  
By: Isett  
County Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The 79th Legislature, Regular Session, 2005, enacted H.B. 664, which allows local municipalities and school districts to accept bids from a local company in a procurement process as long as the bid is within five percent of the lowest bid. The intent behind the bill was to allow local governances to make small purchases from local businesses at minimal expense to the taxpayer. Unfortunately, the law did not set a maximum amount for such a contract. This has led to municipalities awarding large contracts to local bidders, which, while in keeping with the statute, has led to exponentially more expense to the taxpayer than intended.

H.B. 2082 caps at \$100,000 the amount of the contract that can be entered into under the local bidder provision.

### **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. 2082 amends the Local Government Code to limit a contract amount to less than \$100,000 under circumstances where a municipality with a population of less than 250,000 receives one or more bids for the purchase of real property, personal property not affixed to real property, or services, from a bidder whose principal place of business is in the municipality and whose bid is within five percent of the lowest bid price received by the municipality from a bidder who is not a resident.

### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.