

BILL ANALYSIS

C.S.H.B. 3668
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Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current law, if a public works construction contract is made in violation of state law relating to municipal purchasing and contracting authority, only a property tax paying resident of the municipality has the power to enjoin the performance or payment of money under the contract. When a general contractor who does not live and pay taxes in the municipality offers a bid that is rejected in violation of current law, that contractor has no recourse. A contractor who expends the time, effort, and energy to offer a good faith bid on a public works contract should have standing to sue for an injunction if the contract is awarded to another contractor in violation of the law, regardless of whether that contractor pays local property taxes to the municipality.

C.S.H.B. 3668 allows a person who submitted a bid for a contract for which the competitive sealed bidding requirement applies to sue for injunction, regardless of the contractor's residency, if the contract is for the construction of public works and the contract is made without compliance with state law relating to municipal purchasing and contracting authority.

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

C.S.H.B. 3668 amends the Local Government Code to extend the authority to enjoin the performance of a municipal purchasing contract, including the payment of any money under that contract, if the contract is made without compliance with state law relating to the purchasing and contracting authority of municipalities, to a person who submitted a bid for a contract for which the competitive sealed bidding requirement applies, regardless of residency, if the contract is for the construction of public works.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3668 differs from the original by making nonsubstantive technical changes.