

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION

March 11, 2009

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

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

IN RE: HB78 by Flynn (Relating to the amount of a county expenditure for which competitive bidding is required.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Local Government Code to raise the minimum purchase expenditure from \$25,000 to \$50,000 for when a competitive bidding procedure is required to be used by a local government entity for certain purchases. The minimum expenditure amount for a contract for construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property would remain at \$25,000 for a governmental entity other than a county, but would change to \$50,000 for a county. The proposed changes in statute would apply only to contracts awarded on or after the effective date of the bill, which would be September 1, 2009.

Raising the minimum amount for when a competitive bidding procedure is required would provide greater flexibility in the purchasing process and reduce some of the expenses involved for purchases that fall within the expanded range.

Local Government Impact

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

Source Agencies:

LBB Staff: JOB, DB