

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**May 15, 2009**

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

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

**IN RE: HB3487** by Coleman (Relating to the purchasing and contracting authority of counties; providing penalties.), **Committee Report 2nd House, Substituted**

**No fiscal implication to the State is anticipated.**

The bill would amend several sections of the Local Government Code to revise purchasing and contracting authority of counties. The bill would remove most distinctions between large and small counties; facilitate cooperative purchasing practices; redefine criteria for the "lowest and best" offer; expand use of electronic transfers, checks, warrants, and purchasing cards; clarify responsibilities of county commissioners courts, auditors and purchasing agents; and prescribe penalties for certain violations.

This bill would take effect on September 1, 2009.

**Local Government Impact**

The Comptroller of Public Accounts provided information obtained from three counties, whose responses indicate there would be some additional costs, but also some savings, with a net savings that would vary by county.

The Williamson County Purchasing Agent reported that some changes in the bill might add to county costs. The Purchasing Agent estimated that the cumulative impacts of these changes would be to lower costs by \$4,420 in fiscal 2009, \$56,700 in 2010, and \$57,000 in fiscal years 2011-2014.

The Hale County Auditor indicated that the bill would have no impact on revenues, but that the change in rules for advertising of bid procurements would save the county about one-third of its annual advertising costs. Because there are usually no procurements in September, there would be no fiscal impact in fiscal year 2009. The Hale County Auditor estimated annual savings of \$2,000 per year for fiscal years 2010-2014.

The El Paso County Purchasing Agent indicated that the provisions of the bill would allow more flexibility to employ new technology in procurement practices, and would result in overall cost savings, mainly in advertising, postage, and photocopying documents. The El Paso County Purchasing Agent estimated the savings from the bill at \$0 in fiscal year 2009, \$58,949 in fiscal year 2010, and rising to \$62,566 in fiscal year 2014.

**Source Agencies:**

**LBB Staff:** JOB, DB, KJG, SD, TP