

**BILL ANALYSIS**

C.S.H.B. 2958  
By: Leach  
Government Efficiency & Reform  
Committee Report (Substituted)

**BACKGROUND AND PURPOSE**

Current law requires governmental entities to follow procurement procedures outlined in state law when contracting for construction services. Some local units of government, such as counties and municipalities, may create local government corporations that use taxpayer dollars to finance construction projects, and interested parties note that such locally created corporations and other agencies of a local government also are subject to state procurement laws but only for the design and construction of transportation projects. C.S.H.B. 2958 seeks to clarify matters regarding the application of state procurement requirements to locally created agencies and instrumentalities of local governments by requiring local government corporations to follow state procurement law for all taxpayer-funded construction projects.

**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. 2958 amends the Local Government Code to establish that the same state laws related to the design and construction of projects, including the procurement of design and construction services, that apply to a county, municipality, district, or other political subdivision of this state apply to an agency or instrumentality of such a local governmental entity, an economic development corporation created by such a governmental entity, or an alliance, agreement, partnership, or agency created between the governmental entity and one or more other governmental entities.

**EFFECTIVE DATE**

September 1, 2013.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2958 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.909 to read as follows: Sec. 271.909. <b>COMPETITIVE REQUIREMENTS</b> APPLICABLE TO	SECTION 1. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.909 to read as follows: Sec. 271.909. <b>PROJECT DESIGN AND CONSTRUCTION</b> REQUIREMENTS

CERTAIN AGENCIES,  
INSTRUMENTALITIES, AND  
AGREEMENTS.

(a) In this section, "governmental entity"  
means a county, municipality, district, or  
other political subdivision of this state.

(b) To the extent that a governmental entity  
is required by statute to award a contract  
using competitive bidding or competitive  
sealed proposals,

an agency or instrumentality of the  
governmental entity, an economic  
development corporation created by the  
governmental entity under Subtitle C1, Title  
12, or an alliance, agreement, partnership, or  
agency created between the governmental  
entity and one or more other governmental  
entities is required to award a contract by  
competitive bidding or competitive sealed  
proposals in the same manner as the  
governmental entity.

SECTION 2. The changes in law made by  
this Act apply only to a contract for which a  
governmental entity first advertises or  
otherwise solicits bids, proposals, offers, or  
qualifications or makes a similar solicitation  
on or after the effective date of this Act. A  
contract for which a governmental entity  
first advertises or otherwise solicits bids,  
proposals, offers, or qualifications or makes  
a similar solicitation before the effective  
date of this Act is governed by the law in  
effect on the date the advertisement or  
solicitation is made, and that law is  
continued in effect for that purpose.

SECTION 3. This Act takes effect  
September 1, 2013.

APPLICABLE TO CERTAIN AGENCIES,  
INSTRUMENTALITIES, AND  
AGREEMENTS.

(a) In this section, "governmental entity"  
means a county, municipality, district, or  
other political subdivision of this state.

(b) The same state laws related to the  
design and construction of projects,  
including the procurement of design and  
construction services, that apply to a  
governmental entity apply to

an agency or instrumentality of the  
governmental entity, an economic  
development corporation created by the  
governmental entity under Subtitle C1, Title  
12, or an alliance, agreement, partnership, or  
agency created between the governmental  
entity and one or more other governmental  
entities.

SECTION 2. The changes in law made by  
this Act affecting contract requirements  
apply only to a contract for which an entity  
first advertises or otherwise solicits bids,  
proposals, offers, or qualifications or makes  
a similar solicitation on or after the effective  
date of this Act. A contract for which an  
entity first advertises or otherwise solicits  
bids, proposals, offers, or qualifications or  
makes a similar solicitation before the  
effective date of this Act is governed by the  
law in effect on the date the advertisement  
or solicitation is made, and that law is  
continued in effect for that purpose.

SECTION 3. Same as introduced version.