87R11127 SMT-D

By:  J. Johnson of Harris H.B. No. 4101

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a governmental entity to limit bidding on certain public contracts to bidders that are small businesses.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1.  Section 271.021, Local Government Code, is amended by adding Subdivision (5) to read as follows:

(5)  "Small business" means a small business concern as defined by the United States Small Business Administration under 15 U.S.C. Section 632.

SECTION 2.  Section 271.025(a), Local Government Code, is amended to read as follows:

(a)  The governmental entity must advertise for bids. The advertisement for bids must include a notice that:

(1)  describes the work;

(2)  states the location at which the bidding documents, plans, specifications, or other data may be examined by all bidders; [~~and~~]

(3)  states the time and place for submitting bids and the time and place that bids will be opened; and

(4)  if Section 271.0255 applies to the contract, states that only a small business may bid on the contract.

SECTION 3.  Subchapter B, Chapter 271, Local Government Code, is amended by adding Section 271.0255 to read as follows:

Sec. 271.0255.  SMALL BUSINESS PROGRAM. (a) Notwithstanding any other provision of this chapter, the governing body of a governmental entity may establish a program to limit bidding on certain contracts to bidders that are small businesses.

(b)  The governing body of a governmental entity that establishes a program under this section may accept bids on a contract only from bidders that are small businesses if:

(1)  the governing body determines the contract is appropriate for performance by a small business; and

(2)  the contract requires an expenditure of not more than $1 million.

SECTION 4.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.