

By: J. Johnson of Harris, Lopez, Reynolds,
Sherman, Sr., Deshotel

H.B. No. 4101

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

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

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

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

14 (1) describes the work;

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

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

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

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

24 Sec. 271.0255. SMALL BUSINESS PROGRAM. (a)

1 Notwithstanding any other provision of this chapter, the governing
2 body of a governmental entity may establish a program to limit
3 bidding on certain contracts to bidders that are small businesses.

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

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

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

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