

BILL ANALYSIS

Senate Research Center
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H.B. 1132
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Local Government
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Municipalities are required by state procurement laws to engage in a competitive bidding process for contracts with a value of \$50,000 or more. For this process, a municipality must go through a formal solicitation process which takes a large amount of staff time, even if the contracts are for routine items.

H.B. 1132 raises the expenditure threshold that triggers the competitive bidding requirement for municipalities and certain other governmental entities from \$50,000 to \$100,000. Raising this threshold will allow these governmental entities to procure necessary items and complete projects in a more efficient manner.

H.B. 1132 amends current law relating to the amount of an expenditure made by certain political subdivisions for which competitive bidding is required.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 44.031(a), Education Code, as follows:

- (a) Requires that all school district contracts for the purchase of goods and services, except contracts for the purchase of produce or vehicle fuel, valued at \$100,000 or more, rather than \$50,000 or more, in the aggregate for each 12-month period, except as provided by Subchapter B (Purchases; Contracts), be made by certain methods.

SECTION 2. Amends Section 252.021(a), Local Government Code, as follows:

- (a) Requires a municipality, before a municipality is authorized to enter into a contract that requires an expenditure of more than \$100,000, rather than more than \$50,000, from one or more municipal funds, to take certain actions.

SECTION 3. Amends Section 252.0215, Local Government Code, as follows:

Sec. 252.0215. COMPETITIVE BIDDING IN RELATION TO HISTORICALLY UNDERUTILIZED BUSINESS. Requires a municipality, in making an expenditure of more than \$3,000 but less than \$100,000, rather than less than \$50,000, to contact at least two historically underutilized businesses on a rotating basis, based on certain information.

SECTION 4. Amends Section 262.003(a), Local Government Code, to provide that any law that requires a county to follow a competitive procurement procedure in making a purchase requiring the expenditure of \$100,000 or less, rather than \$50,000 or less, does not apply to the purchase of an item available for purchase from only one supplier.

SECTION 5. Amends Section 262.023(a), Local Government Code, to require the commissioners court of a county, before the county is authorized to purchase one or more items under a contract that will require an expenditure exceeding \$100,000, rather than \$50,000, to take certain enumerated actions.

SECTION 6. Amends Section 271.024, Local Government Code, as follows:

Sec. 271.024. **COMPETITIVE PROCUREMENT PROCEDURE APPLICABLE TO CONTRACT.** Requires that bidding on a contract for the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property on the basis of competitive bids that requires the expenditure of more than \$100,000, rather than \$50,000, from the funds of the governmental entity awarding the contract, if the governmental entity is required by statute to award the contract, be accomplished in a certain manner.

SECTION 7. Amends Section 271.054, Local Government Code, as follows:

Sec. 271.054. **COMPETITIVE PROCUREMENT REQUIREMENT.** Requires the governing body of an issuer, before it is authorized to enter into a contract requiring an expenditure by or imposing an obligation or liability on the issuer, or on a subdivision of the issuer if the issuer is a county, of more than \$100,000, rather than \$50,000, to take certain actions.

SECTION 8. Amends Sections 252.312(b) and (c), Transportation Code, as follows:

(b) Authorizes a purchase in an amount of \$100,000 or less, rather than \$50,000 or less, if certain criteria are met, to be made through negotiation by the commissioners court or the court's authorized representative on requisition to be approved by the commissioners court or the county auditor without advertising for competitive bids.

(c) Makes a conforming change to this subsection.

SECTION 9. Makes application of this Act prospective.

SECTION 10. Effective date: September 1, 2023.