

BILL ANALYSIS

C.S.H.B. 3507
By: Holland
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, conservation and reclamation districts are required to publish a notice in a newspaper to solicit bids for contracts over \$75,000 and to solicit bids from at least three bidders for contracts over \$25,000 but not more than \$75,000. For a contract of not more than \$25,000, the district is not required to advertise or seek competitive bids. These thresholds were established over 15 years ago and were last updated to reflect increased construction costs in 2013. C.S.H.B. 3507 seeks to further update the contract values that trigger the newspaper posting requirement and certain competitive bidding requirements.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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. 3507 amends the Water Code to revise certain requirements regarding construction, equipment, materials, and machinery contracts entered into by an applicable water district board as follows:

- increases from over \$75,000 to over \$150,000 the contract value that triggers the requirement for a board to advertise in a newspaper the letting of the contract, including the general conditions, time, and place of opening of sealed bids; and
- increases from \$75,000 to \$150,000 the maximum contract value that triggers the requirement for a board to solicit written competitive bids on uniform written specifications from at least three bidders.

The bill applies only to a contract for which a governmental entity first advertises or otherwise requests bids, proposals, offers, or qualifications, or makes a similar solicitation, on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3507 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

While both the substitute and the introduced increase the contract value that triggers the requirement for a water district board to advertise in a newspaper, the substitute increases the value to over \$150,000, whereas the introduced increased the value to over \$250,000.

While both the substitute and the introduced revise the range of contract values that trigger the requirement for a water district board to solicit written competitive bids from at least three bidders, the substitute increases only the maximum value of that range to \$150,000, whereas the introduced increased the minimum value of the range from over \$25,000 to over \$75,000 and increased the maximum value of the range from \$75,000 to \$250,000.

The substitute omits a provision present in the introduced increasing from \$25,000 to \$75,000 the maximum contract value for which the board is not required to advertise or seek competitive bids.