

BILL ANALYSIS

Senate Research Center

S.B. 1173
By: Perry
Local Government
6/9/2025
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas law requires local government entities to utilize a competitive procurement process if the local government is purchasing an item or service that exceeds \$50,000. This threshold has remained unchanged for years. However, the costs of goods and services has radically increased. Local governments have asked that the procurement thresholds be increased to more accurately reflect the rising costs of goods and services.

S.B. 1173 simply raises the local government competitive procurement thresholds from \$50,000 to \$100,000. Therefore, local governments will have more flexibility to pay for goods and services that are below \$100,000.

S.B. 1173 amends current law relating to the amount of an expenditure made by certain political subdivisions for which a competitive procurement method may be 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, except as provided by Subchapter B (Purchases; Contracts), 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, rather than \$50,000, or more in the aggregate for each 12-month period, be made by the method, of certain methods, that provides the best value for the district.

SECTION 2. Amends Section 775.084(a), Health and Safety Code, to require the board of emergency services commissioners, except as provided by Subsection (i) (relating to providing that Section 775.084 (Competitive Bids) does not apply to certain expenditures), to submit to competitive bids an expenditure of more than \$100,000, rather than \$50,000, for certain items or services.

SECTION 3. Amends Section 252.021(a), Local Government Code, to require a municipality, before the municipality is authorized to enter into a contract that requires an expenditure of more than \$100,000, rather than \$50,000, from one or more municipal funds, to perform certain actions.

SECTION 4. Amends Section 252.0215, Local Government Code, to require a municipality, in making an expenditure of more than \$3,000 but less than \$100,000, rather than \$50,000, to contact at least two historically underutilized businesses on a rotating basis, based on certain information.

SECTION 5. 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, rather than \$50,000, or less does not apply to the purchase of an item available for purchase from only one supplier.

SECTION 6. 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 perform certain actions.

SECTION 7. Amends Section 271.024, Local Government Code, to require that the 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, if a governmental entity is required by statute to award the contract, and if the contract requires the expenditure of more than \$100,00, rather than \$50,000, from the funds of the entity, be accomplished in the manner provided by Subchapter B (Competitive Bidding on Certain Public Works Contracts).

SECTION 8. Amends Section 271.054, Local Government Code, to require the governing body of an issuer, before the governing body 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 perform certain actions.

SECTION 9. Amends Sections 252.312(b) and (c), Transportation Code, as follows:

(b) Authorizes a purchase in an amount of \$100,000, rather than \$50,000, or less, if the county road engineer so recommends and the commissioners court considers it to be in the best interest of the county, 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 10. Amends Section 451.110(c), Transportation Code, to provide that Subsection (a) (relating to prohibiting a governing board of certain rapid transit authorities from contracting for the constructing of an improvement or the purchase of any property, except through competitive bidding) does not apply to a contract for certain purposes, including \$100,000, rather than \$50,000, or less.

SECTION 11. Makes application of this Act prospective.

SECTION 12. Effective date: September 1, 2025.