

By: Capriglione

H.B. No. 223

A BILL TO BE ENTITLED

AN ACT

relating to exemptions to competitive requirements for purchases of certain services by a municipality.

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

SECTION 1. Section 252.022, Local Government Code, is amended to read as follows:

Sec. 252.022. GENERAL EXEMPTIONS. (a) This chapter does not apply to an expenditure for:

(1) a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents or to preserve the property of the municipality;

(2) a procurement necessary to preserve or protect the public health or safety of the municipality's residents;

(3) a procurement necessary because of unforeseen damage to public machinery, equipment, or other property;

(4) except for a procurement for lobbying, government relations, or similar services intended to influence state or federal lawmakers on behalf of a municipality, a procurement for personal, professional, or planning services;

(5) a procurement for work that is performed and paid for by the day as the work progresses;

(6) a purchase of land or a right-of-way;

(7) a procurement of items that are available from

1 only one source, including:

2 (A) items that are available from only one source
3 because of patents, copyrights, secret processes, or natural
4 monopolies;

5 (B) films, manuscripts, or books;

6 (C) gas, water, and other utility services;

7 (D) captive replacement parts or components for
8 equipment;

9 (E) books, papers, and other library materials
10 for a public library that are available only from the persons
11 holding exclusive distribution rights to the materials; and

12 (F) management services provided by a nonprofit
13 organization to a municipal museum, park, zoo, or other facility to
14 which the organization has provided significant financial or other
15 benefits;

16 (8) a purchase of rare books, papers, and other
17 library materials for a public library;

18 (9) paving drainage, street widening, and other public
19 improvements, or related matters, if at least one-third of the cost
20 is to be paid by or through special assessments levied on property
21 that will benefit from the improvements;

22 (10) a public improvement project, already in
23 progress, authorized by the voters of the municipality, for which
24 there is a deficiency of funds for completing the project in
25 accordance with the plans and purposes authorized by the voters;

26 (11) a payment under a contract by which a developer
27 participates in the construction of a public improvement as

1 provided by Subchapter C, Chapter 212;

2 (12) personal property sold:

3 (A) at an auction by a state licensed auctioneer;

4 (B) at a going out of business sale held in
5 compliance with Subchapter F, Chapter 17, Business & Commerce Code;

6 (C) by a political subdivision of this state, a
7 state agency of this state, or an entity of the federal government;
8 or

9 (D) under an interlocal contract for cooperative
10 purchasing administered by a regional planning commission
11 established under Chapter 391;

12 (13) services performed by blind or severely disabled
13 persons;

14 (14) goods purchased by a municipality for subsequent
15 retail sale by the municipality;

16 (15) electricity; or

17 (16) advertising, other than legal notices.

18 (b) This chapter does not apply to bonds or warrants issued
19 under Subchapter A, Chapter 571.

20 (c) This chapter does not apply to expenditures by a
21 municipally owned electric or gas utility or unbundled divisions of
22 a municipally owned electric or gas utility in connection with any
23 purchases by the municipally owned utility or divisions of a
24 municipally owned utility made in accordance with procurement
25 procedures adopted by a resolution of the body vested with
26 authority for management and operation of the municipally owned
27 utility or its divisions that sets out the public purpose to be

1 achieved by those procedures. This subsection may not be deemed to
2 exempt a municipally owned utility from any other applicable
3 statute, charter provision, or ordinance.

4 (d) This chapter does not apply to an expenditure described
5 by Section 252.021(a) if the governing body of a municipality
6 determines that a method described by Chapter 2269, Government
7 Code, provides a better value for the municipality with respect to
8 that expenditure than the procedures described in this chapter and
9 the municipality adopts and uses a method described in that chapter
10 with respect to that expenditure.

11 SECTION 2. The changes in Section 252.022, Local Government
12 Code, as made by this Act, apply only to a contract for procurement
13 made on or after September 1, 2025. A contract for procurement made
14 before September 1, 2025, is governed by the law as it existed
15 immediately before the effective date of this Act, and that law is
16 continued in effect for that purpose.

17 SECTION 3. This Act takes effect September 1, 2025.