

## **BILL ANALYSIS**

C.S.H.B. 3193  
By: Bernal  
Urban Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties explain that municipalities are currently authorized to grant contracting preferences to local businesses for certain contracts if the bidder's principal place of business is in the municipality and the bidder's price is within a certain range of the lowest bid. The parties are concerned that there is a lack of uniformity in state law regarding the types of contracts for which municipalities are authorized to consider a bidder's or offeror's principal place of business when accepting bids or proposals. C.S.H.B. 3193 seeks to address this concern by amending the applicable law.

### **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. 3193 amends the Local Government Code to authorize a municipality making an authorized purchase of any personal property that is not affixed to real property or services other than professional services to consider, as a percentage of the evaluation factors, an offeror's principal place of business, if the municipality solicits requests for proposals and receives one or more proposals from an offeror whose principal place of business is in the municipality or outside the municipality and in a county in which the municipality is located. The bill authorizes the municipality to treat an offeror whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as an offeror whose principal place of business is in the municipality. The bill does not prohibit a municipality from rejecting all proposals.

C.S.H.B. 3193 authorizes a municipality, for purposes of the statutory authority to enter into a contract for an authorized purchase of real property or personal property that is not affixed to real property with a bidder whose principal place of business is in the municipality as an alternative to the lowest bidder under certain conditions, to treat a bidder whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality. The bill authorizes a municipality, for purposes of the statutory authority to enter into a contract, as part of an authorized purchase of any real property, personal property not affixed to real property or services, for construction services in an amount less than \$100,000 or for other purchases in an amount less than \$500,000, respectively, with a bidder whose principal place of business is in the municipality as an alternative to the lowest bidder under certain conditions, to treat a bidder

whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3193 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

No equivalent provision.

No equivalent provision.

SECTION 1. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.9052 to read as follows:  
Sec. 271.9052. CONSIDERATION OF LOCATION OF OFFEROR'S PRINCIPAL PLACE OF BUSINESS IN AWARDING CERTAIN MUNICIPAL CONTRACTS.  
(a) In purchasing as authorized under this title any personal property that is not affixed to real property or services other than professional services, if a municipality that solicits requests for proposals receives one or more proposals from an offeror whose principal place of business is in the municipality, the municipality may

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 271.905, Local Government Code, is amended by adding Subsection (d) to read as follows:  
(d) For the purpose of this section, if a local government is a municipality, the municipality may treat a bidder whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality.

SECTION 2. Section 271.9051, Local Government Code, is amended by adding Subsection (e) to read as follows:  
(e) For the purpose of this section, a municipality may treat a bidder whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality.

SECTION 3. Subchapter Z, Chapter 271, Local Government Code, is amended by adding Section 271.9052 to read as follows:  
Sec. 271.9052. CONSIDERATION OF LOCATION OF OFFEROR'S PRINCIPAL PLACE OF BUSINESS IN AWARDING CERTAIN MUNICIPAL CONTRACTS.  
(a) In purchasing as authorized under this title any personal property that is not affixed to real property or services other than professional services, if a municipality that solicits requests for proposals receives one or more proposals from an offeror whose principal place of business is in the municipality or outside the municipality and

consider, as a percentage of the evaluation factors, an offeror's principal place of business if the contract is for services in an amount of less than \$100,000 or a contract for other purchases in an amount of less than \$500,000.

(b) This section does prohibit a municipality from rejecting all proposals.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

in a county in which the municipality is located, the municipality may consider, as a percentage of the evaluation factors, an offeror's principal place of business.

(b) This section does not prohibit a municipality from rejecting all proposals.

(c) For the purpose of this section, a municipality may treat an offeror whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as an offeror whose principal place of business is in the municipality.

SECTION 4. Same as introduced version.