

BILL ANALYSIS

S.B. 408
By: Rodríguez
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that municipalities have greater flexibility than counties in considering the location of a bidder's principal place of business for certain contracts, when a contract's value is for less than certain amounts, because a municipality may consider a competitive sealed bid from a bidder whose principal place of business is in the municipality if the bid is within five percent of the lowest bid price received from a bidder who is not a resident of the municipality. Other local governments are limited to considering bids from a local business only if the bid is within three percent of the lowest bid price received from a nonresident, regardless of the contract's value. The parties contend that counties should have the same authority as municipalities in regard to such contracts. S.B. 408 seeks to address this issue.

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

S.B. 408 amends the Local Government Code to extend to a county the authority granted to a municipality to consider the location of a bidder's principal place of business when entering into a contract for construction services in an amount of less than \$100,000 or a contract for other purchases of real property, personal property that is not affixed to real property, or services in an amount of less than \$500,000.

EFFECTIVE DATE

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