

1-1 By: Perry, Hinojosa of Nueces S.B. No. 1173  
1-2 (In the Senate - Filed February 7, 2025; February 28, 2025,  
1-3 read first time and referred to Committee on Local Government;  
1-4 March 31, 2025, reported favorably by the following vote: Yeas 5,  
1-5 Nays 0; March 31, 2025, sent to printer.)

1-6	COMMITTEE VOTE			
1-7		Yea	Nay	Absent
1-8	Bettencourt	X		PNV
1-9	Middleton	X		
1-10	Cook	X		
1-11	Gutierrez			X
1-12	Nichols			X
1-13	Paxton	X		
1-14	West	X		

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to the amount of an expenditure made by certain political  
1-18 subdivisions for which a competitive procurement method may be  
1-19 required.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-21 SECTION 1. Section 44.031(a), Education Code, is amended to  
1-22 read as follows:

1-23 (a) Except as provided by this subchapter, all school  
1-24 district contracts for the purchase of goods and services, except  
1-25 contracts for the purchase of produce or vehicle fuel, valued at  
1-26 \$100,000 [~~\$50,000~~] or more in the aggregate for each 12-month  
1-27 period shall be made by the method, of the following methods, that  
1-28 provides the best value for the district:

1-29 (1) competitive bidding for services other than  
1-30 construction services;

1-31 (2) competitive sealed proposals for services other  
1-32 than construction services;

1-33 (3) a request for proposals, for services other than  
1-34 construction services;

1-35 (4) an interlocal contract;

1-36 (5) a method provided by Chapter 2269, Government  
1-37 Code, for construction services;

1-38 (6) the reverse auction procedure as defined by  
1-39 Section 2155.062(d), Government Code; or

1-40 (7) the formation of a political subdivision  
1-41 corporation under Section 304.001, Local Government Code.

1-42 SECTION 2. Section 252.021(a), Local Government Code, is  
1-43 amended to read as follows:

1-44 (a) Before a municipality may enter into a contract that  
1-45 requires an expenditure of more than \$100,000 [~~\$50,000~~] from one or  
1-46 more municipal funds, the municipality must:

1-47 (1) comply with the procedure prescribed by this  
1-48 subchapter and Subchapter C for competitive sealed bidding or  
1-49 competitive sealed proposals;

1-50 (2) use the reverse auction procedure, as defined by  
1-51 Section 2155.062(d), Government Code, for purchasing; or

1-52 (3) comply with a method described by Chapter 2269,  
1-53 Government Code.

1-54 SECTION 3. Section 252.0215, Local Government Code, is  
1-55 amended to read as follows:

1-56 Sec. 252.0215. COMPETITIVE BIDDING IN RELATION TO  
1-57 HISTORICALLY UNDERUTILIZED BUSINESS. A municipality, in making an  
1-58 expenditure of more than \$3,000 but less than \$100,000 [~~\$50,000~~],  
1-59 shall contact at least two historically underutilized businesses on  
1-60 a rotating basis, based on information provided by the comptroller  
1-61 pursuant to Chapter 2161, Government Code. If the list fails to

identify a historically underutilized business in the county in which the municipality is situated, the municipality is exempt from this section.

SECTION 4. Section 262.003(a), Local Government Code, is amended to read as follows:

(a) Any law that requires a county to follow a competitive procurement procedure in making a purchase requiring the expenditure of \$100,000 [~~\$50,000~~] or less does not apply to the purchase of an item available for purchase from only one supplier.

SECTION 5. Section 262.023(a), Local Government Code, is amended to read as follows:

(a) Before a county may purchase one or more items under a contract that will require an expenditure exceeding \$100,000 [~~\$50,000~~], the commissioners court of the county must:

(1) comply with the competitive bidding or competitive proposal procedures prescribed by this subchapter;

(2) use the reverse auction procedure, as defined by Section 2155.062(d), Government Code, for purchasing; or

(3) comply with a method described by Chapter 2269, Government Code.

SECTION 6. Section 271.024, Local Government Code, is amended to read as follows:

Sec. 271.024. COMPETITIVE PROCUREMENT PROCEDURE APPLICABLE TO CONTRACT. If a governmental entity is required by statute to award 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, and if the contract requires the expenditure of more than \$100,000 [~~\$50,000~~] from the funds of the entity, the bidding on the contract must be accomplished in the manner provided by this subchapter.

SECTION 7. Section 271.054, Local Government Code, is amended to read as follows:

Sec. 271.054. COMPETITIVE PROCUREMENT REQUIREMENT. Before the governing body of an issuer may 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 [~~\$50,000~~], the governing body must:

(1) submit the proposed contract to competitive procurement; or

(2) use an alternate method of project delivery authorized by Chapter 2269, Government Code.

SECTION 8. Sections 252.312(b) and (c), Transportation Code, are amended to read as follows:

(b) If the county road engineer so recommends and the commissioners court considers it to be in the best interest of the county, a purchase in an amount of \$100,000 [~~\$50,000~~] or less may 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) A purchase may not be divided or reduced to avoid the competitive bidding requirement on a purchase that would otherwise cost more than \$100,000 [~~\$50,000~~].

SECTION 9. The changes in law made by this Act apply only to a purchase made on or after the effective date of this Act. A purchase made before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 10. This Act takes effect September 1, 2025.

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