

## **BILL ANALYSIS**

Senate Research Center  
78R11612 AKH-D

H.B. 2493  
By: Isett (Duncan)  
Administration  
5-12-2003  
Engrossed

### **DIGEST AND PURPOSE**

The 76th Texas Legislature amended the Local Government Code to allow smaller cities and counties to consider the location of a bidder's place of business when purchasing goods and property, allowing some preference in purchasing from local businesses when the difference between the local's bid and the non-local lowest bid is three percent or less. H.B. 2493 expands that discretion for municipalities and school districts to include the purchase of services, and increases the amount of allowable difference between the local and non-local bid to five percent.

### **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 Sections 271.905(a) and (b), Local Government Code, as follows:

- (a) Defines "local government."
- (b) Authorizes a local government, in purchasing under this title any real property, personal property not affixed to real property, or services other than professional services, if the local government receives one or more bids from a bidder whose principal place of business is in the local government and whose bid is within five, rather than three, percent of the lowest bid price received from a bidder who is not a resident of the local government, to enter into a contract with the lowest bidder, or the bidder whose principal place of business is in the local government if certain conditions are met.

SECTION 2. Amends Section 44.031, Education Code, by adding Subsection (b-1), to authorize a school district, in awarding a contract using a method described under Subsection (a)(1) or (a)(2), to consider a bidder's or offeror's principal place of business in the manner provided by Section 271.905, Local Government Code.

SECTION 3. Amends Section 44.033, Education Code, by amending Subsection (c) and adding Subsection (f), as follows:

- (c) Makes a conforming change.
- (f) Authorizes a school district, in awarding a contract under this section, to consider a bidder's principal place of business in the manner provided by Section 271.905, Local Government Code.

SECTION 4. Effective date: September 1, 2003.  
Makes application of this Act prospective.