

## **BILL ANALYSIS**

Senate Research Center

S.B. 850  
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### **DIGEST AND PURPOSE**

Texas cities, counties, and school districts are prohibited from taking into consideration anything other than general qualifications and price in awarding bid contracts. However, some bidders who have been awarded contracts owe the city, county, or school district back taxes. As proposed, S.B. 850 allows cities, counties, and school districts to consider whether a bidder has paid their ad valorem taxes to the entity seeking the bid proposal and to refuse to contract with a person or firm so indebted.

### **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 Chapter 252C, Local Government Code, by adding Section 252.0436, as follows:

Sec. 252.0436. CONTRACT WITH PERSON OR FIRM INDEBTED TO MUNICIPALITY. (a) Authorizes a municipality by ordinance to establish regulations permitting the municipality to refuse to enter into a contract with a person indebted to the municipality.

(b) Provides that it is not a violation of this chapter for a municipality, under regulations adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the municipality.

(c) Defines "person."

SECTION 2. Amends Chapter 262C, Local Government Code, by adding Section 262.0276, as follows:

Sec. 262.0276. CONTRACT WITH PERSON OR FIRM INDEBTED TO COUNTY. (a) Authorizes the commissioners court, by an order adopted and entered in the minutes of the commissioners court and after notice is published in a newspaper of general circulation in the county, to adopt rules permitting the county to refuse to enter into a contract with a person indebted to the county.

(b) Provides that it is not a violation of this subchapter for a county, under rules adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the county.

(c) Defines "person."

SECTION 3. Amends Chapter 44B, Education Code, by adding Section 44.044, as follows:

Sec. 44.044. CONTRACT WITH PERSON OR FIRM INDEBTED TO SCHOOL DISTRICT. (a) Authorizes the board of trustees of a school district by resolution to establish regulations permitting the school district to refuse to enter into a contract with a person indebted to the school district.

(b) Provides that it is not a violation of this subchapter for a school district, under regulations adopted under Subsection (a), to refuse to award a contract to an apparent low bidder or successful proposer who is indebted to the school district.

(c) Defines "person."

SECTION 4. Effective date: September 1, 2003.