

## **BILL ANALYSIS**

Senate Research Center  
81R20907 NC-D

H.B. 3668  
By: Hopson (Nichols)  
Intergovernmental Relations  
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Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, if a public works construction contract is made in violation of state law relating to municipal purchasing and contracting authority, only a property tax paying resident of the municipality has the power to enjoin the performance or payment of money under the contract. When a general contractor who does not live and pay taxes in the municipality offers a bid that is rejected in violation of current law, that contractor has no recourse. A contractor who expends the time, effort, and energy to offer a good faith bid on a public works contract should have standing to sue for an injunction if the contract is awarded to another contractor in violation of the law, regardless of whether that contractor pays local property taxes to the municipality.

This bill allows a person who submitted a bid for a contract for which the competitive sealed bidding requirement applies to use for injunction, regardless of the contractor's residency, if the contract is for the construction of public works and the contract is made without compliance with state law relating to municipal purchasing and contracting authority.

H.B. 3668 relates to the injunction of municipal purchasing contracts.

### **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 Section 252.061, Local Government Code, as follows:

Sec. 252.061. INJUNCTION. Provides that if the contract is made without compliance with this chapter, it is void and authorizes the performance of the contract, including the payment of any money under the contract, to be enjoined by any property tax paying resident of the municipality or a person who submitted a bid for a contract for which the competitive sealed bidding requirement applies, regardless of residency, if the contract is for the construction of public works.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.