

## **BILL ANALYSIS**

Senate Research Center  
84R25355 SCL-F

H.B. 3193  
By: Bernal (Menéndez)  
Intergovernmental Relations  
5/15/2015  
Engrossed

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

Interested parties explain that municipalities are currently authorized to grant contracting preferences to local businesses for certain contracts if the bidder's principal place of business is in the municipality and the bidder's price is within a certain range of the lowest bid. The parties are concerned that there is a lack of uniformity in state law regarding the types of contracts for which municipalities are authorized to consider a bidder's or offeror's principal place of business when accepting bids or proposals. H.B. 3193 seeks to address this concern by amending the applicable law.

H.B. 3193 amends current law relating to consideration of location of a bidder's or offeror's principal place of business in awarding certain municipal 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 271.905, Local Government Code, by adding Subsection (d), to authorize a municipality, for the purpose of this section, if a local government is a municipality, to treat a bidder whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality.

SECTION 2. Amends Section 271.9051, Local Government Code, by adding Subsection (e), to authorize a municipality, for the purpose of this section, to treat a bidder whose principal place of business is outside the municipality and in a county in which the municipality is located in the same manner as a bidder whose principal place of business is in the municipality.

SECTION 3. Amends Subchapter Z, Chapter 271, Local Government Code, by adding Section 271.9052, as follows:

Sec. 271.9052. CONSIDERATION OF LOCATION OF OFFEROR'S PRINCIPAL PLACE OF BUSINESS IN AWARDING CERTAIN MUNICIPAL CONTRACTS. (a) Authorizes a municipality, in purchasing as authorized under this title any personal property that is not affixed to real property or services other than professional services, if a municipality that solicits requests for proposals receives one or more proposals from an offeror whose principal place of business is in the municipality or outside the municipality and in a county in which the municipality is located, to consider, as a percentage of the evaluation factors, an offeror's principal place of business.

(b) Provides that this section does not prohibit a municipality from rejecting all proposals.

(c) Authorizes a municipality, for the purpose of this section, to treat an offeror whose principal place of business is outside the municipality and in a county in

which the municipality is located in the same manner as an offeror whose principal place of business is in the municipality.

SECTION 4. Effective date: upon passage or September 1, 2015.