

BILL ANALYSIS

H.B. 4101
By: Johnson, Jarvis
County Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Concerns have been raised that small businesses, which are vital to the Texas economy, are underrepresented in contracts with governmental entities. Although some contracts are too broad in scope or volume for a small business to reasonably take on, these governmental entities could make a greater effort to reach out and include small businesses when conducting business. H.B. 4101 seeks to address this issue by allowing a governmental entity to establish a small business program that limits the bidding on certain contracts expending not more than \$1 million to small businesses.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 4101 amends the Local Government Code to authorize the governing body of a governmental entity to establish a program to limit bidding on certain contracts to bidders that are small businesses, as defined by reference to federal law. The governing body of a governmental entity that establishes such a program may accept bids on a contract only from bidders that are small businesses if the governing body determines the contract is appropriate for performance by a small business and the contract requires an expenditure of not more than \$1 million. The bill requires an advertisement for bids for a contract under the program to include a notice that only a small business may bid on the contract.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.