

## BILL ANALYSIS

Senate Bill Analysis

H.B. 571  
By: Jackson  
Intergovernmental Relations  
4-19-91  
House Engrossment

### BACKGROUND

Under current law, cities are exempt from having to post notice for competitive bids on municipal contracts of a certain amount, which are related to the population size of the city. Furthermore, in county public works contracts exceeding \$50,000, counties may currently require the bidder to furnish a bid bond in the amount of five percent of the total contract price.

### PURPOSE

As proposed, H.B. 571 requires cities to post notice for competitive bids on certain municipal contracts. The bill would also raise the contract amount in which a bid bond would be required, from \$50,000 to \$100,000.

### RULEMAKING AUTHORITY

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

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 252.023, Local Government Code, as follows:

Sec. 252.023. New title: EXEMPTIONS FROM REFERENDUM PROVISIONS. Deletes language that exempted certain expenditures from the notice provisions prescribed by Section 252.041, Local Government Code.

SECTION 2. Amends Section 252.041(c), Local Government Code, to require a general, rather than a full, specification of machinery in a bid notice concerning the purchase of certain machinery.

SECTION 3. Amends Section 262.032(a), Local Government Code, to raise the contract amount in which a bid bond would be required, from \$50,000 to \$100,000.

SECTION 4. Makes application of the change in law made by this Act to the notice exemptions prescribed by Section 252.023, Local Government Code, prospective.

SECTION 5. Makes application of the change in law made by this Act to the bond requirement prescribed by Section 262.032(a), Local Government Code, prospective.

SECTION 6. Emergency clause.  
Effective date: 90 days after adjournment.