

## **BILL ANALYSIS**

Senate Research Center  
82R29857 CJC-D

C.S.H.B. 1496  
By: Gallego (Uresti)  
Intergovernmental Relations  
5/18/2011  
Committee Report (Substituted)

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

The 64th Legislature enacted legislation creating the Val Verde County Hospital District (district) in 1975. The enabling act for the district provides that a construction project which involves spending more than \$15,000 may be entered into only after a competitive bidding process that complies with Subchapter B (Competitive Bidding on Certain Public Works Contracts), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain other Local Governments), Local Government Code.

The competitive bidding threshold has become outdated putting rigid requirements on the district. C.S.H.B. 1496 amends the contracting authority of the district by providing that a construction contract exceeding a \$100,000 must be procured as required by the Local Government Code.

C.S.H.B. 1496 amends current law relating to the contracting authority of the Val Verde County Hospital District.

### **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 11(b), Chapter 658, Acts of the 64th Legislature, Regular Session, 1975, as follows:

(b) Requires that construction contracts involving the expenditure of more than \$50,000 be procured in the manner provided by Subchapter B (Competitive Bidding on Certain Public Works Contracts), Chapter 271 (Purchasing and Contracting Authority of Municipalities, Counties, and Certain other Local Governments), Local Government Code. Requires that all contracts for purchases involving the expenditure of more than \$50,000, other than contracts subject to Subchapter B, Chapter 271, Local Government Code, or Chapter 2253 (Public Work Performance and Payment Bonds), Government Code, be procured in the manner provided by Subchapter C (Competitive Bidding in General), Chapter 262 (Purchasing and Contracting Authority of Counties), Local Government Code.

Deletes existing text authorizing all contracts for construction involving the expenditure of more than \$15,000 be made only after advertising in the manner provided by Subchapter B, Chapter 271, Local Government Code or all contracts for purchases involving the expenditure of more than \$15,000 be made only after advertising in the manner provided by Subchapter C, Chapter 262, Local Government Code.

SECTION 2. Effective date: September 1, 2011.