

CHAPTER 83

H.B. No. 620

An Act relating to bids by nonresident contractors for contracts awarded by the state or a political subdivision for construction, improvements, supplies, or services.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. (a) In this Act:

(1) "Governmental agency of the state" means:

(A) an incorporated city or town, a county, a public school district, a special-purpose district or authority, or a district, county, or justice of the peace court;

(B) a board, commission, department, office, or other agency in the executive branch of state government, including an institution of higher education as defined by Section 61.003, Education Code;

(C) the legislature or a legislative agency; and

(D) the supreme court, the court of criminal appeals, a court of appeals, or the State Bar of Texas or another judicial agency having statewide jurisdiction.

(2) "Nonresident bidder" means a bidder whose principal place of business is not in this state, but excludes a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

(3) "Texas resident bidder" means a bidder whose principal place of business is in this state, and includes a contractor whose ultimate parent company or majority owner has its principal place of business in this state.

(b) The state or a governmental agency of the state may not award a contract for general construction, improvements, services, or public works projects or purchases of supplies, materials, or equipment to a nonresident bidder unless the nonresident's bid is lower than the lowest bid submitted by a responsible Texas resident bidder by the same amount that a Texas resident bidder would be required to underbid a nonresident bidder to obtain a comparable contract in the state in which the nonresident's principal place of business is located.

(c) This section does not apply to a contract involving federal funds.

SECTION 2. This Act applies to a contract for which initial notice is published on or after the effective date of this Act.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on March 20, 1985, by a non-record vote; and that the House concurred in Senate amendments to H.B. No. 620 on April 22, 1985, by a non-record vote; passed by the Senate, with amendments, on April 18, 1985, by a viva-voce vote.

Approved: May 8, 1985

Effective: August 26, 1985