

## CHAPTER 782

H.B. No. 1889

## AN ACT

authorizing certain cities to enter into developer participation contracts without compliance with the competitive sealed bidding procedure required in the Bond and Warrant Law of 1931.

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

SECTION 1. Subsection (a), Section 2, Bond and Warrant Law of 1931 (Article 2368a, Vernon's Texas Civil Statutes), is amended to read as follows:

(a) Except in the case of exempted procurements or developer participation contracts, as provided in Section 2c hereof, no city with a population of 50,000 or more shall make a contract requiring an expenditure or payment in amount exceeding \$10,000, out of any fund or funds of any city creating or imposing an obligation or liability of any nature or character upon such city, without first submitting such proposed contract to competitive sealed bidding or competitive sealed proposals as provided in this section. Except in the case of exempted procurements, no city with a population of less than 50,000 shall make a contract requiring expenditure or payment in an amount exceeding \$5,000 [5,000] without first submitting such proposed contract to competitive sealed bidding as provided in this section.

SECTION 2. The Bond and Warrant Law of 1931 (Article 2368a, Vernon's Texas Civil Statutes) is amended by adding Section 2c to read as follows:

*Sec. 2c. Cities with a population of 50,000 or more shall not be required to comply with the competitive sealed bidding procedure provided herein if the city enters into a contract with a developer of a subdivision or land in said city to construct public improvements, not including a building, related to the development wherein the developer shall construct the improvement and the city shall participate in the cost thereof. All such contracts shall establish the limit of participation by the city; however, the participation by the city may not exceed 30 percent of the total contract price. The developer shall provide a performance bond for the construction of such improvements executed by a corporate surety pursuant to Article 5160, Revised Statutes, which shall insure completion of the project. The city shall only be liable for the agreed payment of the city's share which shall be determined in advance either as a lump sum or as a factor or percentage of the total actual cost as determined by ordinance of the city. Such ordinance may contain additional safeguards against undue loading of cost, collusion, or fraud. All of the developer's books and records related to the project shall be available for inspection by the city.*

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, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 15, 1987, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 1889 on June 1, 1987, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1889 on June 1, 1987, by a non-record vote. Passed by the Senate, with amendments, on May 29, 1987, by the following vote: Yeas 29, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences

between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1889 on June 1, 1987, by the following vote: Yeas 31, Nays 0.  
Approved June 20, 1987.  
Effective Aug. 31, 1987, 90 days after date of adjournment.