



Senate

General Assembly

File No. 181

February Session, 2024

Senate Bill No. 226

Senate, April 2, 2024

The Committee on Planning and Development reported through SEN. RAHMAN of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT INCREASING THE THRESHOLD FOR SEALED BIDDING ON CERTAIN MUNICIPAL CONTRACTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 7-148v of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2024*):

4 (a) Notwithstanding the provisions of any municipal charter or any
5 special act to the contrary, any municipality may, by ordinance,
6 establish requirements for competitive bidding for the award of any
7 contract or the purchase of any real or personal property by the
8 municipality. Such ordinance may provide that, except as otherwise
9 required by any provision of the general statutes, sealed bidding shall
10 not be required for contracts or purchases having a value less than or
11 equal to an amount established in the ordinance, which amount shall
12 not be greater than [twenty-five] fifty thousand dollars. Nothing in this
13 section shall be deemed to invalidate any ordinance enacted by a
14 municipality prior to October 1, 1989. Nothing in this section and no

15 ordinance adopted pursuant to this section shall be construed to limit
16 the ability of a municipality to enter into a contract pursuant to section
17 4a-53a.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2024</i>	7-148v(a)

PD *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 25 \$	FY 26 \$
All Municipalities	Savings	Potential	Potential

Explanation

The bill permits municipalities to increase the threshold for sealed bidding for the award of any contract or the purchase of any real or personal property by the municipality from \$25,000 to \$50,000.

There are potential savings to municipalities associated with reduced administrative and advertising costs resulting from fewer contracts and purchases requiring sealed bidding. The savings depend upon the contracting process of a municipality. For example, municipalities that advertise formal sealed bids would realize reduced marketing costs.

The Out Years

State Impact: None

Municipal Impact:

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**SB 226*****AN ACT INCREASING THE THRESHOLD FOR SEALED BIDDING ON CERTAIN MUNICIPAL CONTRACTS.*****SUMMARY**

This bill increases, from \$25,000 to \$50,000, the maximum value of contracts or purchases that a municipality may exempt, by ordinance, from its sealed bidding requirements.

By law, municipalities may adopt ordinances establishing competitive bidding requirements for awarding contracts or buying real or personal property, regardless of their charters or special acts. These ordinances may exempt contracts or purchases valued at less than a specified amount from sealed bidding requirements, except when the statutes require sealed bids.

EFFECTIVE DATE: October 1, 2024

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 21 Nay 0 (03/15/2024)