

By: Davis of Dallas, Reynolds, Keffer, Miles,
Naishtat, et al.

H.B. No. 535

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the preference given by state agencies to goods offered
3 by bidders in this state or manufactured, produced, or grown in this
4 state or in the United States.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Sections 2155.444(a), (b), and (c), Government
7 Code, are amended to read as follows:

8 (a) The comptroller [~~commission~~] and all state agencies
9 making purchases of goods, including agricultural products, shall
10 promote the purchase of and give preference to goods manufactured,
11 [~~these~~] produced, or grown in this state or offered by Texas bidders
12 as follows:

13 (1) goods manufactured, produced, or offered by a
14 Texas bidder that is owned by a service-disabled veteran who is a
15 Texas resident shall be given a first preference and goods
16 manufactured or produced in this state or offered by other Texas
17 bidders shall be given second preference, if the cost to the state
18 and quality are equal; and

19 (2) agricultural products grown in this state shall be
20 given first preference and agricultural products offered by Texas
21 bidders shall be given second preference, if the cost to the state
22 and quality are equal.

23 (b) If goods, including agricultural products,
24 manufactured, produced, or grown in this state or offered by Texas

1 bidders are not equal in cost and quality to other products, then
2 goods, including agricultural products, manufactured, produced, or
3 grown in other states of the United States shall be given preference
4 over foreign products if the cost to the state and quality are
5 equal.

6 (c) In this section:

7 (1) "Agricultural products" includes textiles and
8 other similar products.

9 (2) "Manufactured" means, with respect to a
10 manufactured good, an item produced as a result of a manufacturing
11 process that alters the form or function of components, including
12 articles, materials, or supplies, that are directly incorporated
13 into the item in a manner that adds value and transforms the
14 components into a finished item that is functionally distinct from
15 a finished item produced merely from assembling the components into
16 the item.

17 (3) [~~(1-a)~~] "Service-disabled veteran" means a person
18 who is a veteran as defined by 38 U.S.C. Section 101(2) and who has a
19 service-connected disability as defined by 38 U.S.C. Section
20 101(16).

21 (4) [~~(2)~~] "Texas bidder" means a business:

22 (A) incorporated in this state;

23 (B) that has its principal place of business in
24 this state; or

25 (C) that has an established physical presence in
26 this state.

27 SECTION 2. The change in law made by this Act applies only

1 to a contract for goods that is entered into on or after the
2 effective date of this Act. A contract entered into before the
3 effective date of this Act is governed by the law in effect on the
4 date the contract was entered into, and the former law is continued
5 in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2013.