

By: Creighton

S.B. No. 1289

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of iron and steel products made in the United States for certain governmental entity projects.

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

SECTION 1. Chapter 2252, Government Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. CERTAIN CONSTRUCTION AND INSTALLATION PROJECTS

Sec. 2252.201. DEFINITIONS. In this subchapter:

(1) "Governmental entity" means:

(A) this state; or

(B) a board, commission, department, office, or other agency in the executive branch of state government.

(2) "Manufacturing process" means the application of a process to alter the form or function of materials or elements of a product in a manner that adds value and transforms the materials or elements into a new finished product that is functionally different from a finished product produced merely from assembling the materials or elements into a product.

(3) "Produced in the United States" means, with respect to iron and steel products, a product for which all manufacturing processes, from initial melting through application of coatings, occur in the United States, other than metallurgical processes to refine steel additives.

(4) "Project" means a contract between a governmental

1 entity and another person to:

2 (A) construct, remodel, or alter a building, a  
3 structure, or infrastructure, including a road or highway; or

4 (B) supply a material for a project described by  
5 Paragraph (A).

6 Sec. 2252.202. UNIFORM PURCHASING CONDITION. Except as  
7 provided by Section 2252.203, the uniform general conditions for a  
8 project in which iron or steel products will be used must require  
9 that the bid documents provided to all bidders and the contract  
10 include a requirement that any iron or steel product used in the  
11 project be produced in the United States.

12 Sec. 2252.203. EXEMPTIONS. (a) Section 2252.202 does not  
13 apply to a project for which the governing body of the governmental  
14 entity responsible for the project determines that:

15 (1) iron or steel products produced in the United  
16 States are not:

17 (A) produced in sufficient quantities;

18 (B) reasonably available; or

19 (C) of a satisfactory quality; or

20 (2) use of iron or steel products produced in the  
21 United States will increase the total cost of the project by more  
22 than 20 percent.

23 (b) Electrical components, equipment, systems, and  
24 appurtenances necessary for operation are not considered to be iron  
25 or steel products and are exempt from the requirements of Section  
26 2252.202.

27 Sec. 2252.204. INTERNATIONAL AGREEMENTS. This subchapter

1 shall be applied in a manner consistent with this state's  
2 obligations under any international agreement.

3 SECTION 2. Subchapter F, Chapter 2252, Government Code, as  
4 added by this Act, applies only to bid documents submitted or  
5 contracts entered into on or after the effective date of this Act.

6 SECTION 3. This Act takes effect September 1, 2017.