

SENATE AMENDMENTS

2nd Printing

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 [~~those~~] 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.

ADOPTED

MAY 08 2013

Atty Gen
Secretary of the Senate

By: Davis, Yvonne/Zaffirini

H.B. No. 535

Substitute the following for H.B. No. 535:

By: Sybil L. Gunn

H.B. No. 535

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12 offered by Texas bidders as follows:

13 (1) goods manufactured, produced, or offered by a
14 Texas bidder that is owned by a service-disabled veteran who is
15 a 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
18 state and quality are equal; and

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

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

1 Texas bidders are not equal in cost and quality to other
2 products, then goods, including agricultural products,
3 manufactured, produced, or grown in other states of the United
4 States shall be given preference over foreign products if the
5 cost to the state and quality are 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
11 manufacturing process that alters the form or function of
12 components, including articles, materials, or supplies, that are
13 directly incorporated into the item in a manner that adds value
14 and transforms the components, and that is functionally distinct
15 from a finished item produced merely from assembling the
16 components into 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
19 has a service-connected disability as defined by 38 U.S.C.
20 Section 101(16).

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

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23 (B) that has its principal place of business in
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3 effective date of this Act is governed by the law in effect on
4 the date the contract was entered into, and the former law is
5 continued in effect for that purpose.

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**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 10, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB535 by Davis, Yvonne (Relating to the preference given by state agencies to goods offered by bidders in this state or manufactured, produced, or grown in this state or in the United States.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Section 2155 to require the Comptroller of Public Accounts (CPA) and all other state agencies making purchases to give preference to goods manufactured in this state under certain criteria.

The change in law made by the bill applies only to a contract for goods that is entered into on or after the effective date of the bill. The bill takes effect September 1, 2013.

The CPA, the Department of Information Resources, the Texas Department of Transportation, and the Texas Department of Criminal Justice indicate that any costs associated with the bill could be absorbed within each agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice

LBB Staff: UP, KJo, SD, JI, JJO, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 30, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB535 by Davis, Yvonne (Relating to the preference given by state agencies to goods offered by bidders in this state or manufactured, produced, or grown in this state or in the United States.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Section 2155 to require the Comptroller of Public Accounts (CPA) and all other state agencies making purchases to give preference to goods manufactured in this state under certain criteria.

The change in law made by the bill applies only to a contract for goods that is entered into on or after the effective date of the bill. The bill takes effect September 1, 2013.

The CPA, the Department of Information Resources, the Texas Department of Transportation, and the Texas Department of Criminal Justice indicate that any costs associated with the bill could be absorbed within each agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice

LBB Staff: UP, KJo, SD, JI, JJO, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 28, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB535 by Davis, Yvonne (Relating to the preference given by state agencies to goods offered by bidders in this state or manufactured, produced, or grown in this state or in the United States.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Section 2155 to require the Comptroller of Public Accounts (CPA) and all other state agencies making purchases to give preference to goods manufactured in this state under certain criteria.

The change in law made by the bill applies only to a contract for goods that is entered into on or after the effective date of the bill. The bill takes effect September 1, 2013.

The CPA, the Department of Information Resources, the Texas Department of Transportation, and the Texas Department of Criminal Justice indicate that any costs associated with the bill could be absorbed within each agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice

LBB Staff: UP, KJo, JI, JJO, AG

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 19, 2013

TO: Honorable Byron Cook, Chair, House Committee on State Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB535 by Davis, Yvonne (Relating to the preference given by state agencies to goods offered by bidders in this state or manufactured, produced, or grown in this state or in the United States.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Government Code, Section 2155 to require the Comptroller of Public Accounts (CPA) and all other state agencies making purchases to give preference to goods manufactured in this state and goods offered by Texas bidders under certain criteria. The CPA, the Department of Information Resources (DIR), the Texas Department of Transportation (TXDOT) and the Texas Department of Criminal Justice (TDCJ) indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts, 313 Department of Information Resources, 601 Department of Transportation, 696 Department of Criminal Justice

LBB Staff: UP, AG, JI, JJO