

By: Campbell, Creighton
Paxton

S.B. No. 541

A BILL TO BE ENTITLED

AN ACT

relating to the barring of certain vendors from participation in contracts with the state or a political subdivision and to prohibiting the use of technologies manufactured or sold by certain of those vendors.

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

SECTION 1. Subtitle A, Title 6, Government Code, is amended by adding Chapter 620 to read as follows:

CHAPTER 620. USE OF CERTAIN TECHNOLOGIES BY GOVERNMENTAL ENTITY

PROHIBITED

Sec. 620.001. DEFINITION. In this chapter, "governmental entity" means:

(1) a department, commission, board, office, or other agency that is in the executive or legislative branch of state government and that was created by the constitution or a statute, including an institution of higher education as defined by Section 61.003, Education Code;

(2) the supreme court, the court of criminal appeals, a court of appeals, or the Texas Judicial Council or another agency in the judicial branch of state government; or

(3) a political subdivision of this state, including a municipality, county, or special purpose district.

Sec. 620.002. PROHIBITION. A governmental entity shall adopt a policy prohibiting the installation or use by the

1 governmental entity of a technology manufactured or sold by an
2 entity prohibited from participating in federal contracts under
3 Section 889, John S. McCain National Defense Authorization Act for
4 Fiscal Year 2019 (Pub. L. No. 115-232), as it existed on January 1,
5 2023.

6 SECTION 2. Section 2155.077, Government Code, is amended by
7 adding Subsection (a-3) to read as follows:

8 (a-3) The comptroller shall bar a vendor from participating
9 in state contracts that are subject to this subtitle, including
10 contracts for which purchasing authority is delegated to a state
11 agency, if the vendor:

12 (1) is prohibited from participating in federal
13 contracts under Section 889, John S. McCain National Defense
14 Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232), as it
15 existed on January 1, 2023;

16 (2) contracts with an entity described by Subdivision
17 (1) to provide products or services to this state; or

18 (3) is designated as a risk to state security by the
19 Homeland Security Council, with advice from the governor, unless
20 the federal government has determined that the vendor does not pose
21 a risk to national security.

22 SECTION 3. Subchapter 2, Chapter 271, Local Government
23 Code, is amended by adding Section 271.909 to read as follows:

24 Sec. 271.909. BARRING CERTAIN VENDORS FROM PARTICIPATION IN
25 CONTRACTS. The governing body of a political subdivision by
26 ordinance, order, or other measure shall bar a vendor from
27 participating in contracts with the political subdivision if the

1 vendor:

2 (1) is prohibited from participating in federal
3 contracts under Section 889, John S. McCain National Defense
4 Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232), as it
5 existed on January 1, 2023;

6 (2) contracts with an entity described by Subdivision
7 (1) to provide products or services to this state; or

8 (3) is designated as a risk to state security by the
9 Homeland Security Council, with advice from the governor, unless
10 the federal government has determined that the vendor does not pose
11 a risk to national security.

12 SECTION 4. Section 421.026, Government Code, is amended to
13 read as follows:

14 Sec. 421.026. REPORTS [~~REPORT~~]. (a) The council shall
15 annually submit to the governor a report stating:

16 (1) the status and funding of state programs designed
17 to detect and deter homeland security emergencies, including the
18 status and funding of counterterrorism efforts;

19 (2) recommendations on actions to reduce threats to
20 homeland security, including threats related to terrorism; and

21 (3) recommendations for improving the alert,
22 response, and recovery capabilities of state and local agencies.

23 (b) The council shall submit a report to the legislature
24 identifying each vendor designated as a risk to state security for
25 purposes of barring the vendor from participating in contracts
26 under Section 2155.077(a-3)(3) of this code and Section 271.909(3),
27 Local Government Code. The council shall submit an update to the

1 report under this subsection each time the council designates a
2 vendor as a risk to state security.

3 SECTION 5. Not later than November 1, 2023, each
4 governmental entity shall adopt the policy required by Chapter 620,
5 Government Code, as added by this Act.

6 SECTION 6. The changes in law made by this Act apply only to
7 a contract for which a state agency or political subdivision first
8 advertises or otherwise solicits offers, bids, proposals,
9 qualifications, or other applicable expressions of interest on or
10 after the effective date of this Act. A contract for which a state
11 agency or political subdivision first advertises or otherwise
12 solicits offers, bids, proposals, qualifications, or other
13 applicable expressions of interest before the effective date of
14 this Act is governed by the law as it existed immediately before the
15 effective date of this Act, and that law is continued in effect for
16 that purpose.

17 SECTION 7. This Act takes effect September 1, 2023.