

AN ACT

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.

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

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

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

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

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

(b) If goods, including agricultural products, 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, and that is functionally distinct from a finished item
15 produced merely from assembling the components into the item.

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

20 (4) [~~2~~] "Texas bidder" means a business:

21 (A) incorporated in this state;

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

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

26 SECTION 2. The change in law made by this Act applies only
27 to a contract for goods that is entered into on or after the

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

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

President of the Senate

Speaker of the House

I certify that H.B. No. 535 was passed by the House on April 23, 2013, by the following vote: Yeas 146, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 535 on May 13, 2013, by the following vote: Yeas 145, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 535 was passed by the Senate, with amendments, on May 8, 2013, by the following vote: Yeas 23, Nays 7.

Secretary of the Senate

APPROVED: _____

Date

Governor