

1-1 By: Davis of Dallas, et al. H.B. No. 535  
 1-2 (Senate Sponsor - Zaffirini)  
 1-3 (In the Senate - Received from the House April 24, 2013;  
 1-4 April 25, 2013, read first time and referred to Committee on  
 1-5 Government Organization; May 1, 2013, reported adversely, with  
 1-6 favorable Committee Substitute by the following vote: Yeas 5,  
 1-7 Nays 0; May 1, 2013, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16			X	

1-17 COMMITTEE SUBSTITUTE FOR H.B. No. 535 By: Garcia

1-18 A BILL TO BE ENTITLED  
 1-19 AN ACT

1-20 relating to the preference given by state agencies to goods offered  
 1-21 by bidders in this state or manufactured, produced, or grown in this  
 1-22 state or in the United States.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Sections 2155.444(a), (b), and (c), Government  
 1-25 Code, are amended to read as follows:

1-26 (a) The comptroller [~~commission~~] and all state agencies  
 1-27 making purchases of goods, including agricultural products, shall  
 1-28 promote the purchase of and give preference to goods manufactured,  
 1-29 [~~those~~] produced, or grown in this state or offered by Texas bidders  
 1-30 as follows:

1-31 (1) goods manufactured, produced, or offered by a  
 1-32 Texas bidder that is owned by a service-disabled veteran who is a  
 1-33 Texas resident shall be given a first preference and goods  
 1-34 manufactured or produced in this state or offered by other Texas  
 1-35 bidders shall be given second preference, if the cost to the state  
 1-36 and quality are equal; and

1-37 (2) agricultural products grown in this state shall be  
 1-38 given first preference and agricultural products offered by Texas  
 1-39 bidders shall be given second preference, if the cost to the state  
 1-40 and quality are equal.

1-41 (b) If goods, including agricultural products,  
 1-42 manufactured, produced, or grown in this state or offered by Texas  
 1-43 bidders are not equal in cost and quality to other products, then  
 1-44 goods, including agricultural products, manufactured, produced, or  
 1-45 grown in other states of the United States shall be given preference  
 1-46 over foreign products if the cost to the state and quality are  
 1-47 equal.

1-48 (c) In this section:

1-49 (1) "Agricultural products" includes textiles and  
 1-50 other similar products.

1-51 (2) "Manufactured" means, with respect to a  
 1-52 manufactured good, an item produced as a result of a manufacturing  
 1-53 process that alters the form or function of components, including  
 1-54 articles, materials, or supplies, that are directly incorporated  
 1-55 into the item in a manner that adds value and transforms the  
 1-56 components, and that is functionally distinct from a finished item  
 1-57 produced merely from assembling the components into the item.

1-58 (3) [~~(1-a)~~] "Service-disabled veteran" means a  
 1-59 person who is a veteran as defined by 38 U.S.C. Section 101(2) and  
 1-60 who has a service-connected disability as defined by 38 U.S.C.

2-1 Section 101(16).

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

2-3 (A) incorporated in this state;

2-4 (B) that has its principal place of business in  
2-5 this state; or

2-6 (C) that has an established physical presence in  
2-7 this state.

2-8 SECTION 2. The change in law made by this Act applies only  
2-9 to a contract for goods that is entered into on or after the  
2-10 effective date of this Act. A contract entered into before the  
2-11 effective date of this Act is governed by the law in effect on the  
2-12 date the contract was entered into, and the former law is continued  
2-13 in effect for that purpose.

2-14 SECTION 3. This Act takes effect September 1, 2013.

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