

By: Davis of Dallas

H.B. No. 769

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 [~~these~~] 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, 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, 2017.