

By: Davis of Dallas

H.B. No. 770

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the purchase of iron, steel, and manufactured goods
3 made in the United States for certain state, state-aided, and
4 governmental entity construction projects.

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

6 SECTION 1. Subchapter G, Chapter 2166, Government Code, is
7 amended by adding Section 2166.3031 to read as follows:

8 Sec. 2166.3031. UNIFORM PURCHASING CONDITION. (a) In this
9 section:

10 (1) "Component" means any article, material, or
11 supply, whether a manufactured good or a raw material, that is
12 directly incorporated into a manufactured good.

13 (2) "Manufactured good" means a product produced as a
14 result of a manufacturing process.

15 (3) "Manufacturing process" means the application of a
16 process to alter the form or function of the components of a product
17 in a manner that adds value and transforms the components into a new
18 finished product that is functionally different from a finished
19 product produced merely from assembling the components into a
20 product.

21 (4) "Produced in the United States" means:

22 (A) with respect to iron and steel products, a
23 product for which all manufacturing processes, from initial melting
24 through application of coatings, occur in the United States, other

1 than metallurgical processes to refine steel additives; and

2 (B) with respect to manufactured goods, a
3 manufactured good for which:

4 (i) all of the manufacturing processes that
5 produced the manufactured good occur in the United States; and

6 (ii) more than 60 percent of the components
7 of the manufactured good, by cost, originate or are manufactured in
8 the United States.

9 (b) For purposes of Subsection (a)(4)(B)(ii), if a
10 component originates in the United States, the entire cost of that
11 component is included in the calculation under that subparagraph of
12 the percentage of the component costs for the manufactured good.

13 (c) Except as provided by Subsection (d), the uniform
14 general conditions for a construction project in which iron, steel,
15 or manufactured goods will be used must require that the bid
16 documents provided to all bidders and the contract include a
17 requirement that the iron, steel, and manufactured goods used in
18 the project be produced in the United States.

19 (d) Subsection (c) does not apply to a project for which the
20 governing body of the governmental entity responsible for the
21 project determines that:

22 (1) iron, steel, or specific manufactured goods are
23 not produced in the United States in sufficient and reasonably
24 available quantities and of a satisfactory quality; or

25 (2) inclusion of iron, steel, or specific manufactured
26 goods produced in the United States will increase the total cost of
27 the iron, steel, or specific manufactured goods for the project by

1 more than 15 percent.

2 (e) This section applies to a project otherwise exempted
3 from the application of this chapter by Sections 2166.003 and
4 2166.004.

5 SECTION 2. Section 2166.003(b), Government Code, is amended
6 to read as follows:

7 (b) Only Sections 2166.104, 2166.151, 2166.152, 2166.153,
8 2166.154, 2166.155, 2166.251, 2166.252, and 2166.3031 and
9 Subchapter H apply to a construction project undertaken by or for
10 the Texas Department of Criminal Justice for the imprisonment of
11 individuals convicted of felonies other than state jail felonies.

12 SECTION 3. Section 2166.3031, Government Code, as added by
13 this Act, applies only to bid documents submitted or contracts
14 entered into on or after the effective date of this Act.

15 SECTION 4. This Act takes effect September 1, 2017.