

## **BILL ANALYSIS**

C.S.H.B. 3418  
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State Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There are concerns about the growing prevalence of a practice known as "greenwashing" whereby companies wishing to capitalize on consumer preferences for sustainably sourced products provide misleading information about how their products are environmentally sound. Given that the state's procurement rules provide a preference to products of a recycled, remanufactured, or environmentally sensitive nature, it is imperative that the state verify the claims made by contracted entities. C.S.H.B. 3418 seeks to require that information regarding the sustainability of goods purchased by a state agency be verified by an approved third-party entity in order to qualify for the procurement preference.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3418 amends the Government Code to require the comptroller of public accounts, as part of the regular review and revision of its procurement procedures and specifications for the purchase of goods, to require that any information regarding the recycled, remanufactured, or environmentally sensitive nature of a product that is used as the basis for receiving the contracting preference for such products be certified as accurate by an entity approved by the comptroller. The bill requires a state agency to provide notice of the preference for such products in all solicitation documents for purchases by the agency of goods for which the preference may be given, including the method the agency will use to evaluate, apply, and award the preference.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3418 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute clarifies that the solicitation documents in which an agency must provide notice of the preference for recycled, remanufactured, or environmentally sensitive products are the documents for purchases by the agency of goods for which the preference may be given, rather than those for purchases of goods by the agency, as in the original.