

AN ACT

relating to prohibited contracts with companies that discriminate against the firearm or ammunition industries.

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

SECTION 1. Subtitle F, Title 10, Government Code, is amended by adding Chapter 2274 to read as follows:

CHAPTER 2274. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES

Sec. 2274.001. DEFINITIONS. In this chapter:

(1) "Ammunition" means a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile.

(2) "Company" means a for-profit organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or associations that exists to make a profit. The term does not include a sole proprietorship.

(3) "Discriminate against a firearm entity or firearm trade association":

(A) means, with respect to the entity or association, to:

(i) refuse to engage in the trade of any goods or services with the entity or association based solely on its

1 status as a firearm entity or firearm trade association;

2 (ii) refrain from continuing an existing
3 business relationship with the entity or association based solely
4 on its status as a firearm entity or firearm trade association; or

5 (iii) terminate an existing business
6 relationship with the entity or association based solely on its
7 status as a firearm entity or firearm trade association; and

8 (B) does not include:

9 (i) the established policies of a merchant,
10 retail seller, or platform that restrict or prohibit the listing or
11 selling of ammunition, firearms, or firearm accessories; and

12 (ii) a company's refusal to engage in the
13 trade of any goods or services, decision to refrain from continuing
14 an existing business relationship, or decision to terminate an
15 existing business relationship:

16 (aa) to comply with federal, state, or
17 local law, policy, or regulations or a directive by a regulatory
18 agency; or

19 (bb) for any traditional business
20 reason that is specific to the customer or potential customer and
21 not based solely on an entity's or association's status as a firearm
22 entity or firearm trade association.

23 (4) "Firearm" means a weapon that expels a projectile
24 by the action of explosive or expanding gases.

25 (5) "Firearm accessory" means a device specifically
26 designed or adapted to enable an individual to wear, carry, store,
27 or mount a firearm on the individual or on a conveyance and an item

1 used in conjunction with or mounted on a firearm that is not
2 essential to the basic function of the firearm. The term includes a
3 detachable firearm magazine.

4 (6) "Firearm entity" means:

5 (A) a firearm, firearm accessory, or ammunition
6 manufacturer, distributor, wholesaler, supplier, or retailer; and

7 (B) a sport shooting range as defined by Section
8 250.001, Local Government Code.

9 (7) "Firearm trade association" means any person,
10 corporation, unincorporated association, federation, business
11 league, or business organization that:

12 (A) is not organized or operated for profit and
13 for which none of its net earnings inures to the benefit of any
14 private shareholder or individual;

15 (B) has two or more firearm entities as members;
16 and

17 (C) is exempt from federal income taxation under
18 Section 501(a), Internal Revenue Code of 1986, as an organization
19 described by Section 501(c) of that code.

20 (8) "Governmental entity" has the meaning assigned by
21 Section 2251.001.

22 Sec. 2274.002. PROVISION REQUIRED IN CONTRACT. (a) This
23 section applies only to a contract that:

24 (1) is between a governmental entity and a company
25 with at least 10 full-time employees; and

26 (2) has a value of at least \$100,000 that is paid
27 wholly or partly from public funds of the governmental entity.

1 (b) Except as provided by Subsection (c) and Section
2 2274.003, a governmental entity may not enter into a contract with a
3 company for the purchase of goods or services unless the contract
4 contains a written verification from the company that it:

5 (1) does not have a practice, policy, guidance, or
6 directive that discriminates against a firearm entity or firearm
7 trade association; and

8 (2) will not discriminate during the term of the
9 contract against a firearm entity or firearm trade association.

10 (c) Subsection (b) does not apply to a governmental entity
11 that:

12 (1) contracts with a sole-source provider; or

13 (2) does not receive any bids from a company that is
14 able to provide the written verification required by that
15 subsection.

16 Sec. 2274.003. CERTAIN CONTRACTS EXEMPTED. (a) A contract
17 entered into in connection with or relating to the issuance, sale,
18 or delivery of notes under Subchapter H, Chapter 404, or the
19 administration of matters related to the notes, including the
20 investment of note proceeds, is exempt from this chapter if, in the
21 comptroller's sole discretion, the comptroller determines that
22 compliance with Section 2274.002 is likely to prevent:

23 (1) an issuance, sale, or delivery that is sufficient
24 to address the general revenue cash flow shortfall forecast; or

25 (2) the administration of matters related to the
26 notes.

27 (b) Before making a determination under Subsection (a), the

1 comptroller must:

2 (1) survey potential respondents or bidders to a
3 solicitation for a contract described by Subsection (a) to
4 determine the number of qualified potential respondents or bidders
5 that are able to provide the written verification required by
6 Section 2274.002; and

7 (2) evaluate the historical bidding performance of
8 qualified potential bidders.

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

15 SECTION 3. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 19 passed the Senate on April 15, 2021, by the following vote: Yeas 18, Nays 12; and that the Senate concurred in House amendments on May 28, 2021, by the following vote: Yeas 19, Nays 12.

Secretary of the Senate

I hereby certify that S.B. No. 19 passed the House, with amendments, on May 13, 2021, by the following vote: Yeas 86, Nays 60, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor