

1-1 By: Campbell S.B. No. 541
1-2 (In the Senate - Filed January 20, 2023; February 17, 2023,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 March 27, 2023, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 10, Nays 1; March 27, 2023,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Schwertner	X		
1-10	King	X		
1-11	Birdwell	X		
1-12	Campbell	X		
1-13	Creighton	X		
1-14	Johnson		X	
1-15	Kolkhorst	X		
1-16	Menéndez	X		
1-17	Middleton	X		
1-18	Nichols	X		
1-19	Zaffirini	X		

1-20 COMMITTEE SUBSTITUTE FOR S.B. No. 541 By: King

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the barring of certain vendors from participation in
1-24 contracts with the state or a political subdivision and to
1-25 prohibiting the use of technologies manufactured or sold by certain
1-26 of those vendors.

1-27 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-28 SECTION 1. Subtitle A, Title 6, Government Code, is amended
1-29 by adding Chapter 620 to read as follows:

1-30 CHAPTER 620. USE OF CERTAIN TECHNOLOGIES BY GOVERNMENTAL ENTITY
1-31 PROHIBITED

1-32 Sec. 620.001. DEFINITION. In this chapter, "governmental
1-33 entity" means:

1-34 (1) a department, commission, board, office, or other
1-35 agency that is in the executive or legislative branch of state
1-36 government and that was created by the constitution or a statute,
1-37 including an institution of higher education as defined by Section
1-38 61.003, Education Code;

1-39 (2) the supreme court, the court of criminal appeals,
1-40 a court of appeals, or the Texas Judicial Council or another agency
1-41 in the judicial branch of state government; or

1-42 (3) a political subdivision of this state, including a
1-43 municipality, county, or special purpose district.

1-44 Sec. 620.002. PROHIBITION. A governmental entity shall
1-45 adopt a policy prohibiting the installation or use by the
1-46 governmental entity of a technology manufactured or sold by an
1-47 entity prohibited from participating in federal contracts under
1-48 Section 889, John S. McCain National Defense Authorization Act for
1-49 Fiscal Year 2019 (Pub. L. No. 115-232), as it existed on January 1,
1-50 2023.

1-51 SECTION 2. Section 2155.077, Government Code, is amended by
1-52 adding Subsection (a-3) to read as follows:

1-53 (a-3) The comptroller shall bar a vendor from participating
1-54 in state contracts that are subject to this subtitle, including
1-55 contracts for which purchasing authority is delegated to a state
1-56 agency, if the vendor:

1-57 (1) is prohibited from participating in federal
1-58 contracts under Section 889, John S. McCain National Defense
1-59 Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232), as it
1-60 existed on January 1, 2023;

(2) contracts with an entity described by Subdivision
(1); or
(3) is designated as a risk to state security by the
governor, with advice from the Homeland Security Council, under
rules adopted by the governor.

SECTION 3. Subchapter 2, Chapter 271, Local Government
Code, is amended by adding Section 271.909 to read as follows:

Sec. 271.909. BARRING CERTAIN VENDORS FROM PARTICIPATION IN
CONTRACTS. The governing body of a political subdivision by
ordinance, order, or other measure shall bar a vendor from
participating in contracts with the political subdivision if the
vendor:

(1) is prohibited from participating in federal
contracts under Section 889, John S. McCain National Defense
Authorization Act for Fiscal Year 2019 (Pub. L. No. 115-232), as it
existed on January 1, 2023;

(2) contracts with an entity described by Subdivision
(1); or
(3) is designated as a risk to state security by the
governor, with advice from the Homeland Security Council, under
rules adopted by the governor.

SECTION 4. Not later than November 1, 2023, each
governmental entity shall adopt the policy required by Chapter 620,
Government Code, as added by this Act.

SECTION 5. The changes in law made by this Act apply only to
a contract for which a state agency or political subdivision first
advertises or otherwise solicits offers, bids, proposals,
qualifications, or other applicable expressions of interest on or
after the effective date of this Act. A contract for which a state
agency or political subdivision first advertises or otherwise
solicits offers, bids, proposals, qualifications, or other
applicable expressions of interest before the effective date of
this Act is governed by the law as it existed immediately before the
effective date of this Act, and that law is continued in effect for
that purpose.

SECTION 6. This Act takes effect September 1, 2023.

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