

SUBJECT: Requiring public higher ed institutions to use iron and steel made in USA

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 10 ayes — Murphy, Pacheco, Cortez, Frullo, P. King, Muñoz, Ortega,
Parker, Raney, J. Turner

0 nays

1 absent — C. Turner

SENATE VOTE: On final passage, April 9 — 31-0, on Local and Uncontested Calendar

WITNESSES: For — Bruce Curtis, EBAA Iron, Inc. (*Registered, but did not testify*:
Doug Miller, Commercial Metals Company; David White, Gerdau; Cheri
Huddleston, Lufkin Angelina County Chamber of Commerce; Randy
Cubriel, Nucor; Rene Lara, Texas AFL-CIO; Mike Meroney, Texas
Association of Manufacturers)

Against — None

BACKGROUND: Government Code ch. 2252, subch. C governs contracts with
governmental entities for certain construction and installation projects.
Sec. 2252.201 defines "governmental entity" to mean the state or a board,
commission, department, office, or other agency in the executive branch
of state government. The term does not include a political subdivision.

Under sec. 2252.202, the uniform general conditions for a project in
which iron or steel products will be used must require that the bid
documents provided to all bidders and the contract include a requirement
that any iron or steel product produced through a manufacturing process
and used in the project be produced in the United States. Sec. 2252.203
establishes certain exemptions, including if the governing body of the
governmental entity responsible for the project determines that the use of
iron or steel products produced in the United States will increase the total
cost of the project by more than 20 percent.

Education Code sec. 61.003 defines "institution of higher education" as any public technical institute, public junior college, public senior college or university, medical or dental unit, public state college, or other agency of higher education as defined in statute.

DIGEST:

SB 783 would include public institutions of higher education among the governmental entities whose uniform general conditions for certain projects would have to require the bid documents and contract for such projects to include requirements that any iron or steel products produced through a manufacturing process and used in the project be produced in the United States.

The bill would take effect September 1, 2021, and would apply only to bid documents submitted or contracts entered into on or after that date.