

BILL ANALYSIS

Senate Research Center
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S.B. 1107
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Government Organization
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In fiscal year 2012, Texas state agencies and institutions of higher education spent well over \$800 million on food purchases. While many of the distributors are located in Texas, only a small portion of the actual food is sourced locally. As it is written, the Government Code pre-empts state and local contracting agencies from preferring Texas agricultural products unless everything in the bid or proposal is exactly equal.

The purpose of this legislation is to allow agencies to give preference to agricultural products produced and transported entirely within Texas. By allowing state contracting agencies to spend up to seven percent more on food grown in Texas than the lowest bidder, this bill would help create the demand necessary to stabilize agricultural producers and keep Texans' tax dollars in Texas.

As proposed, S.B. 1107 amends current law relating to the preference given by state and local governmental entities to agricultural products produced or grown in this state.

[**Note:** While the statutory reference in this bill is to the Texas Facilities Commission (TFC), the following amendments affect the comptroller of public accounts, as the successor agency to TFC.]

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Sections 44.042(a) and (b), Education Code, as follows:

(a) Authorizes a school district that purchases agricultural products to give preference to products produced, processed, or grown in this state if the cost to the school district does not exceed 107 percent of the cost of agricultural products produced or grown outside of this state and the quality is equal.

(b) Requires the school district, if agricultural products produced, processed, or grown in this state are not given a preference under Subsection (a), rather than if such products are not equal in cost and quality to other products, to give preference to agricultural products produced, processed, or grown in other states of the United States over foreign products if the cost to the school district is equal and the quality is equal.

SECTION 2. Amends Sections 2155.444(a) and (b), Government Code, as follows:

(a) Requires the Texas Facilities Commission and all state agencies making purchases of goods, including agricultural products, to give preference to those produced or grown in this state or offered by Texas bidders as per certain guidelines, including that agricultural products grown in this state are required to be given first preference if the cost to the state and quality are equal, and are authorized to be given first preference if the cost to the state does not exceed 107 percent of the cost of agricultural products grown outside of

this state and the quality is equal, and agricultural products offered by Texas bidders are required to be given second preference, if the cost to the state and quality are equal.

(b) Requires goods, including agricultural products, produced or grown in other states of the United States, to be given preference over foreign products if the cost to the state and quality are equal, if goods, including agricultural products, produce or grown in this state or offered by Texas bidders are not given preference under Subsection (a), rather than if goods, including agricultural products, produced or grown in this state or offered by Texas bidders are not equal in cost and quality to other products.

SECTION 3. Amends Subchapter Z, Chapter 271, Local Government Code, by adding Section 271.909, as follows:

Sec. 271.909. PREFERENCE FOR TEXAS AGRICULTURAL PRODUCTS. (a) Defines "local governmental entity" in this section.

(b) Requires a local governmental entity that purchases agricultural products to give preference to those produced or grown in this state if the cost to the local governmental entity is equal and the quality is equal.

(c) Authorizes a local governmental entity that purchases agricultural products to give preference to those products produced or grown in this state if the cost to the local governmental entity does not exceed 107 percent of the cost of agricultural products produced or grown outside of this state and the quality is equal.

SECTION 4. Provides that the changes in law made by this Act apply only to a contract for which a state agency or local governmental entity first advertises or otherwise solicits bids, proposals, offers, or qualifications on or after the effective date of this Act. Provides that a contract for which a state agency or local governmental entity first advertised or otherwise solicited bids, proposals, offers, or qualifications before that date is governed by the law in effect when the first advertisement or solicitation was given, and the former law is continued in effect for that purpose.

SECTION 5. Effective date: September 1, 2013.