

BILL ANALYSIS

H.B. 1007
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State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The concept and related laws commonly known as "buy American" attempt to ensure that American-made goods and materials are given preference over imported products, with respect to government procurement and infrastructure projects. Observers point out that these laws are proven job creation tools that are usually broadly supported by every level of government in the United States and that Texas should do what it can to reap the benefits of buying American goods by imposing certain requirements on state construction projects. H.B. 1007 seeks to impose these requirements.

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

H.B. 1007 amends the Government Code to require the uniform general conditions for a construction project in which iron, steel, or manufactured goods will be used to require that the bid documents provided to all bidders and the contract include a requirement that the iron, steel, and manufactured goods used in the project be produced in the United States. The bill exempts from this requirement a project for which the governing body of the governmental entity responsible for the project determines that iron, steel, or specific manufactured goods are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality or that inclusion of iron, steel, or specific manufactured goods produced in the United States will increase the total cost of the iron, steel, or specific manufactured goods for the project by more than 15 percent. The bill's provisions apply to a project otherwise exempted from statutory provisions relating to certain state building construction projects.

H.B. 1007 defines "produced in the United States" to mean a product, with respect to iron and steel products, for which all manufacturing processes, from initial melting through application of coatings, occur in the United States, other than metallurgical processes to refine steel additives, and, with respect to manufactured goods, a manufactured good for which all of the manufacturing processes that produced the manufactured good occur in the United States and for which more than 60 percent of the components of the manufactured good, by cost, originate or are manufactured in the United States. For the purposes of this definition, the bill establishes that the entire cost of a component is included in the calculation of the percentage of the component costs for the manufactured good if the component originates in the United States.

EFFECTIVE DATE

September 1, 2015.