

SUBJECT: Prohibiting preference for ESG in bids for certain transportation projects

COMMITTEE: Transportation — favorable, without amendment

VOTE: 12 ayes — Canales, Raney, Ashby, Davis, Gámez, Caroline Harris, Lozano, Lujan, Ordaz, Patterson, Perez, Romero

0 nays

1 absent — Landgraf

WITNESSES: For — Patrick Tarlton, Texas Concrete Pipe Association (*Registered, but did not testify*; Steven Albright, AGC of Texas; Brent Bennett, Texas Public Policy Foundation; Thomas Parkinson)

Against — (*Registered, but did not testify*: Valarie Gold; Carl Jacob)

On — (*Registered, but did not testify*: Lance Simmons, Texas Department of Transportation; Shawn Hall Lecuona, The Voice of Justice and of Consanguinity)

BACKGROUND: Some have suggested that excluding environmental, social, and governance (ESG) preferences from bids for state transportation project materials could help make project costs more affordable.

DIGEST: HB 2977 would prohibit the Department of Transportation, in comparing bids for materials to be used in a state highway improvement project, from giving preference to a bid that proposed using certain materials based on environmental, social, and governance (ESG) criteria, including carbon emission criteria, if the proposed materials were less cost effective or durable than alternatives for the same project.

The bill would take effect September 1, 2023.