

SUBJECT: Requiring information on state preference for purchasing recycled goods

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Paddie, Hernandez, Deshotel, Harless, Howard, Hunter, P. King, Metcalf, Raymond, Shaheen, Slawson, Smithee

0 nays

1 absent — Lucio

WITNESSES: For — (*Registered, but did not testify*: Fred Shannon, HP; Bill Kelly, Mayor's Office, City of Houston)

Against — None

On — Robert Wood, Texas Comptroller of Public Accounts

BACKGROUND: Government Code sec. 2155.445 requires the comptroller and state agencies to give preference to recycled, remanufactured, or environmentally sensitive products in purchases if the product meets state specifications regarding quantity and quality and the average price of the product is not more than 10 percent greater than the price of comparable nonrecycled products. The comptroller must regularly review its procurement procedures regarding the purchase of these types of products.

Concerns have been raised that certain companies wishing to capitalize on consumer preferences for sustainably sourced products may provide information regarding the sourcing of their products that is not accurate. Because the state's procurement rules give a preference to recycled products, some have called for the state to require that information on the sustainability of goods purchased by state agencies be independently verified in order to qualify for the procurement preference.

DIGEST: CSHB 3418 would require that any information regarding the recycled, remanufactured, or environmentally sensitive nature of a product that was

used as the basis for a purchasing preference by the comptroller or a state agency be certified as accurate by an entity approved by the comptroller.

A state agency would be required to provide notice of the preference for recycled, remanufactured, or environmentally sensitive products in all solicitation documents for purchases by the agency of goods for which the preference could be given, including the method the agency would use to evaluate, apply, and award the preference.

The bill would take effect September 1, 2021.