

BILL ANALYSIS

H.B. 3103
By: Leibowitz
Technology, Economic Development & Workforce
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The contracts relating to the sale or acquisition of a business entity typically include provisions that require the purchasing entity to comply with the terms and conditions of the original grant agreement. The purpose of this bill is to ensure that contractual provisions meant to benefit the workforce in Texas in such grant agreements are not contracted away.

H.B. 3103 requires grant agreements to include a provision that requires a purchasing entity to comply with the terms and conditions of the original agreement.

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. 3103 amends the Government Code to require an entity that acquires by merger, acquisition, or other transfer, ownership or control of a grant recipient to report the change in ownership or control to the governor and comply with the terms and conditions of the grant agreement entered into by a grant recipient and any other requirement imposed on the grant recipient in connection with the grant award. The bill requires the grant agreement to include a provision relating to these requirements. The bill requires a grant recipient that is the subject of a merger, acquisition, or other transfer or ownership or control to include language in each contract relating to the transfer that informs the acquiring entity of its duties and obligations relating to reporting to the governor and complying with terms and conditions of the grant.

EFFECTIVE DATE

September 1, 2009.