

BILL ANALYSIS

S.B. 1958
By: Van de Putte
Defense & Veterans' Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are non-profit veteran service agencies (VSAs) that are qualified as charitable organizations under Section 501(c)(3), Internal Revenue Code. The principal activities conducted by VSAs include housing assistance, substance abuse treatment, case management, and employment training for low-income veterans, disabled veterans, homeless veterans, and veterans' families. In addition to these principal activities, many VSAs in Texas engage in business endeavors such as manufacturing, packaging, and maintenance services. These business entities not only provide quality products and service for consumers, they create jobs for veterans and help generate revenue to be reinvested into their organization. Current law relating to historically underutilized and small businesses states that a "small business," if certified by the state as such, can bid for state procurement opportunities. Since VSAs are not defined as a "small business," they currently cannot bid on state procurement opportunities.

S.B. 1958 redefines "small business" to include a veterans service agency and defines "veterans service agency."

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

S.B. 1958 amends the Government Code to include, for purposes of state law regarding a multiple award contract schedule, a veterans service agency in the definition of "small business" and to define a "veterans service agency" to mean a community-based organization that is exempt from taxation under federal law as a 501(c)(3) organization, has as its principal purpose to provide housing, substance abuse treatment, case management services, and employment training to low-income veterans, disabled veterans, and homeless veterans and their families, and employs veterans to provide at least 75 percent of the hours of direct labor by individuals required to produce goods or provide services required under a contract entered into under provisions for historically underutilized and small businesses.

S.B. 1958 makes its provisions applicable only to a contract for the procurement of goods and services for which the solicitation of bids or proposals, request for proposals, or similar required notification as to the goods or services is published on or after September 1, 2009.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.