

BILL ANALYSIS

C.S.H.B. 888
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State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The historically underutilized business (HUB) program provides a registered HUB with the opportunity to receive state contracting benefits, such as being placed on the HUB directory, that allow for subcontracting opportunities. For a business to be certified and included in the HUB program, the principal place of business must be in Texas, the owner must reside in Texas, and at least 51 percent of the business must be owned by an economically disadvantaged person. Current law defines an "economically disadvantaged person" as an individual who is either a woman, a member of a minority group, or a person who has suffered because of discriminatory practices or other circumstances over which the person has no control. C.S.H.B. 888 includes in the state's HUB program a business with its principal location in Texas and with a majority of its ownership interest held by one or more United States armed forces veterans who have a service-connected disability.

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

C.S.H.B. 888 amends the Government Code to redefine "historically underutilized business," for the purpose of determining whether a business is a historically underutilized business under state contracting law, to include a business whose sole owner is a veteran as defined by federal law with a service-related disability or whose majority ownership interest is held by one or more such disabled veterans in the same manner as a business with similar ownership by one or more economically disadvantaged persons as defined by state law is determined to be a historically underutilized business under the definition.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 888 differs from the original by redefining "historically underutilized business" to include a business more than half of which is owned by one or more disabled veterans as defined by federal law, whereas the original redefines "economically disadvantaged person" to include such a disabled veteran within that definition for purposes of determining the degree of ownership interest held by economically disadvantaged persons that is required to qualify as a historically underutilized business.