

By: Guillen, Huberty, Cook, Alvarado,
Harless

H.B. No. 888

Substitute the following for H.B. No. 888:

By: Huberty

C.S.H.B. No. 888

A BILL TO BE ENTITLED

AN ACT

relating to historically underutilized businesses owned by disabled veterans for purposes of state contracting.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2161.001(2), Government Code, is amended to read as follows:

(2) "Historically underutilized business" means an entity with its principal place of business in this state that is:

(A) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more persons who:

(i) are either:

(a) economically disadvantaged persons; or

(b) veterans as defined by 38 U.S.C. Section 101(2) who have a service-connected disability as defined by 38 U.S.C. Section 101(16); and

(ii) [who] have a proportionate interest and actively participate in the corporation's control, operation, and management;

(B) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person or a veteran as

1 defined by 38 U.S.C. Section 101(2) who has a service-connected
2 disability as defined by 38 U.S.C. Section 101(16);

3 (C) a partnership formed for the purpose of
4 making a profit in which 51 percent or more of the assets and
5 interest in the partnership are owned by one or more persons who:

6 (i) are either:

7 (a) economically disadvantaged
8 persons; or

9 (b) veterans as defined by 38 U.S.C.
10 Section 101(2) who have a service-connected disability as defined
11 by 38 U.S.C. Section 101(16); and

12 (ii) [who] have a proportionate interest
13 and actively participate in the partnership's control, operation,
14 and management;

15 (D) a joint venture in which each entity in the
16 venture is a historically underutilized business, as determined
17 under another paragraph of this subdivision; or

18 (E) a supplier contract between a historically
19 underutilized business as determined under another paragraph of
20 this subdivision and a prime contractor under which the
21 historically underutilized business is directly involved in the
22 manufacture or distribution of the goods or otherwise warehouses
23 and ships the goods.

24 SECTION 2. This Act takes effect September 1, 2011.