

SENATE AMENDMENTS

2nd Printing

By: Farias, Ratliff, Menendez, Guerra,
et al.

H.B. No. 194

A BILL TO BE ENTITLED

1 AN ACT
2 relating to considering ownership interests of certain disabled
3 veterans in determining whether a business is a historically
4 underutilized business for purposes of state contracting and to
5 promoting state contract awards to historically underutilized
6 businesses based on that ownership.

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

8 SECTION 1. Section 2161.001(3), Government Code, is amended
9 to read as follows:

10 (3) "Economically disadvantaged person" means a
11 person who is economically disadvantaged because of the person's
12 identification as a member of a certain group, including Black
13 Americans, Hispanic Americans, women, Asian Pacific Americans,
14 ~~[and]~~ Native Americans, and veterans as defined by 38 U.S.C.
15 Section 101(2) who have suffered at least a 20 percent
16 service-connected disability as defined by 38 U.S.C. Section
17 101(16), and who has suffered the effects of discriminatory
18 practices or other similar insidious circumstances over which the
19 person has no control.

20 SECTION 2. Section 2161.002, Government Code, is amended by
21 adding Subsection (d) to read as follows:

22 (d) The comptroller shall adopt rules to provide goals for
23 increasing the contract awards for the purchase of goods or
24 services by the commission and other state agencies to businesses

1 that qualify as historically underutilized businesses because the
2 businesses are owned or owned, operated, and controlled, as
3 applicable, wholly or partly by one or more veterans as defined by
4 38 U.S.C. Section 101(2) who have a service-connected disability as
5 defined by 38 U.S.C. Section 101(16). The goals established under
6 this subsection are in addition to the goals established under
7 Subsection (c) and the goals established under Subsection (c) may
8 not be reduced as a result of the establishment of goals under this
9 subsection.

10 SECTION 3. Section 2161.125, Government Code, is amended to
11 read as follows:

12 Sec. 2161.125. CATEGORIZATION OF HISTORICALLY
13 UNDERUTILIZED BUSINESSES [~~BY SEX, RACE, AND ETHNICITY~~]. The
14 comptroller, in cooperation with each state agency reporting under
15 this subchapter, shall categorize each historically underutilized
16 business included in a report under this subchapter by sex, race,
17 and ethnicity and by whether the business qualifies as a
18 historically underutilized business because it is owned or owned,
19 operated, and controlled, as applicable, wholly or partly by one or
20 more veterans as defined by 38 U.S.C. Section 101(2) who have
21 suffered at least a 20 percent service-connected disability as
22 defined by 38 U.S.C. Section 101(16).

23 SECTION 4. (a) Unless expressly provided otherwise, if any
24 provision of this Act or its application to any person or
25 circumstance is held invalid, the invalidity does not affect other
26 provisions or applications of this Act that can be given effect
27 without the invalid provision or application, and to this end the

1 provisions of this Act are severable.

2 (b) This section does not affect the power or duty of a court
3 to ascertain and give effect to legislative intent concerning
4 severability of this Act.

5 SECTION 5. This Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

H.B. No. 194
SIGNED

By: J. J. Arroyo Farias
Substitute the following for H.B. No. 194:

By: Jose Rodriguez

C.S. H.B. No. 194

A BILL TO BE ENTITLED

AN ACT

relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.

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

SECTION 1. Subdivision (3), Section 2161.001, Government Code, is amended to read as follows:

(3) "Economically disadvantaged person" means a person who:

(A) is economically disadvantaged because of the person's identification as a member of a certain group, including:

- (i) Black Americans;
- (ii) ~~Hispanic Americans;~~
- (iii) ~~women;~~
- (iv) ~~Asian Pacific Americans;~~
- (v) ~~Native Americans;~~ ~~and~~
- (vi) veterans as defined by 38 U.S.C.

Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); and

(B) ~~who~~ has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.

1 SECTION 2. This Act takes effect September 1, 2013.

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 23, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB194 by Farias (Relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.), **As Passed 2nd House**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 2161 of the Government Code to add disabled veterans who have suffered at least a 20 percent service-connected disability to the definition of an "economically disadvantaged person" to determine a historically underutilized business (HUB) for the purposes of state contracting.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, SD, EP, LCO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 17, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB194 by Farias (Relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.), **Committee Report 2nd House, Substituted**

No fiscal implication to the State is anticipated.

The bill would amend Chapter 2161 of the Government Code to add disabled veterans who have suffered at least a 20 percent service-connected disability to the definition of an "economically disadvantaged person" to determine a historically underutilized business (HUB) for the purposes of state contracting.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, SD, EP, LCO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Judith Zaffirini, Chair, Senate Committee on Government Organization

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB194 by Farias (Relating to considering ownership interests of certain disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting and to promoting state contract awards to historically underutilized businesses based on that ownership.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 2161 of the Government Code to add disabled veterans who have suffered at least a 20 percent service-connected disability to the definition of an "economically disadvantaged person" for the purpose of identifying a historically underutilized business (HUB). The bill would require the Comptroller of Public Accounts to adopt rules to provide goals for increasing the contract awards for purchases by state agencies from HUBs owned or owned, operated, and controlled, as applicable, wholly or partly by disabled veterans. The bill would also require the categorization of HUBs included in a report under Subchapter C of Chapter 2161 to include businesses owned or owned, operated and controlled by disabled veterans, in addition to existing categorizations by sex, race and ethnicity. The Comptroller estimates that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, EP, LCO

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

February 26, 2013

TO: Honorable José Menéndez, Chair, House Committee On Defense & Veterans' Affairs

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB194 by Farias (Relating to considering ownership interests of certain disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 2161 of the Government Code to add veterans with a service-connected disability to the definition of an "economically disadvantaged person" for the purpose of identifying a historically underutilized business (HUB). The bill would also require the categorization of HUBs included in a report under Subchapter C of Chapter 2161 to include businesses owned or owned, operated and controlled by disabled veterans, in addition to existing categorizations by sex, race and ethnicity. The Comptroller of Public Accounts estimates there would be a cost to processing additional applications for certification of HUBs. However, it is anticipated that any additional costs associated with implementation of the legislation could be absorbed within existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: UP, KJo, EP, LCO, KKR