

## **BILL ANALYSIS**

S.B. 1067  
By: Nelson  
State Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

It has been noted that contracts between vendors and state procuring agencies are frequently reassigned when a business is sold or when a new subsidiary is created. There are concerns that even though the contract remains binding, new vendors may not receive the same scrutiny as normally required by an agency's procurement process. The resulting lack of transparency with regard to the new vendor's ability to fulfill the obligations in the contract is particularly concerning when the contract involves a major information resources project or sensitive personal information. S.B. 1067 seeks to address this issue by providing for certain approval and notification requirements to be met prior to the reassignment of certain state agency contracts.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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. 1067 amends the Government Code to prohibit a vendor awarded a services contract by a state agency from assigning the vendor's rights under the contract to a third party unless the assignment is approved by the state agency. The bill requires a state agency, at least 14 days before the state agency rejects or approves a vendor's proposed assignment, to notify the Legislative Budget Board of the proposed assignment if the contract subject to the assignment is for a major information resources project or involves storing, receiving, processing, transmitting, disposing of, or accessing sensitive personal information in a foreign country. The bill defines "major information resources project" and "sensitive personal information" by reference.

### **EFFECTIVE DATE**

September 1, 2019.