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HOUSE OF REPRESENTATIVES

FLOOR AMENDMENT NO. \_\_\_\_\_

BY: Davis

Amend C.S.S.B. No. 1 (house committee printing), in Article IX of the bill by adding the following appropriately numbered in Article IX of the bill:

**Sec. \_\_\_\_ Contracting with Ethnic Minority-Owned Underutilized Businesses.**

1. It is the intent of the Legislature that any qualified business should have access to compete for business from the state.

2. It is the intent of the Legislature that this section apply to any appropriation made by this Act to state agencies and institutions of government.

3. In this section " ethnic minority-owned underutilized businesses" means an entity with its principal place of business in Texas and which is:

a. a corporation formed for the purpose of making a profit in which at least 50.1 percent of all classes of the shares of stock or other equitable securities are owned by one or more persons who are economically disadvantaged because of their identification as members of certain groups, including Black Americans, Hispanic Americans, Asian Americans, and Native Americans, and have suffered the effects of discriminatory practices or similar insidious circumstances over which they have no control; and have a proportionate interest and demonstrate active participation in the control, operation, and management of the corporation's affairs;

b. a sole proprietorship created for the purpose of making a profit that is

1 100 percent owned, operated, and controlled by a person described by  
2 subdivision a. of this subsection;

3 c. a partnership formed for the purpose of making a profit in which 51  
4 percent of the assets and interest in the partnership is owned by one or  
5 more persons who are described by subdivision a. of this subsection and  
6 have a proportionate interest and demonstrate active participation in the  
7 control, operation, and management of the partnership's affairs;

8 d. a joint venture in which each entity in the joint venture is a ethnic  
9 minority-owned underutilized businesses under this subsection; or

10 e. a supplier contract between a ethnic minority-owned underutilized  
11 businesses under this subsection and a prime contractor under which  
12 the historically underutilized business is directly involved in the  
13 manufacture or distribution of the supplies or materials or otherwise  
14 warehouses and ships the supplies.

15 4. It is the intent of the Legislature that all state agencies and institutions of  
16 higher education include in their agency strategic plan, a plan for increasing the use  
17 of ethnic minority-owned underutilized businesses in purchasing and construction  
18 contracting.

19 5. It is the intent of the Legislature that when determining whether a public  
20 need exists for the continuation of a state agency or its advisory committees or for  
21 the performance of the functions of the agency or its advisory committees, the Sunset  
22 Advisory Commission shall consider the extent to which the agency has complied  
23 with requirements of state law or state agency rules regarding purchasing goals and

1 programs for ethnic minority-owned underutilized businesses.

2           6. It is the intent of the Legislature that a political subdivision of the state that  
3 receives state funds may establish a program to increase the participation of ethnic  
4 minority-owned underutilized businesses, disadvantaged, or women-owned  
5 businesses as contractors and/or subcontractors on contracts with the political  
6 subdivision. To the extent permissible under the U.S. Constitution, such governing  
7 body may develop and implement goals based on any evidence, including an  
8 independent study, for the participation of such businesses as contractors and/or  
9 subcontractors.

10           7. This section is an expression of the intent of the Legislature and does not  
11 negate a power granted by general law.