

BILL ANALYSIS

Senate Research Center

S.B. 19
By: Schwertner et al.
State Affairs
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Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Large banks and other financial institutions in our country have quietly enacted policies to restrict gun sales and exert pressure on the firearm industry. These institutions hold our money and attempt to use financial pressure to infringe upon our Second Amendment rights. This is unacceptable.

S.B. 19 would prevent any company with at least 10 employees from the benefits of state or other government contracts valued at \$100,000 or more unless the company verifies in writing that it does not have an internal policy or directive that discriminates against members of the lawful firearm or ammunition industries.

This bill will ensure that any company in Texas with a policy that attempts to restrict gun or ammunition sales will not be allowed to benefit from tax dollars through state contracts.

(Original Author's/Sponsor's Statement of Intent)

S.B. 19 amends current law relating to prohibited contracts with companies that discriminate against the firearm or ammunition industries.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 10, Government Code, by adding Chapter 2274, as follows:

CHAPTER 2274. PROHIBITION ON CONTRACTS WITH COMPANIES THAT DISCRIMINATE AGAINST FIREARM AND AMMUNITION INDUSTRIES

Sec. 2274.001. DEFINITIONS. Defines "ammunition," "company," "discriminate against a firearm entity or firearm trade association," "firearm," "firearm accessory," "firearm entity," "firearm trade association," and "governmental entity."

Sec. 2274.002. PROVISION REQUIRED IN CONTRACT. (a) Provides that this section applies only to a contract that is between a governmental entity and a company with at least 10 full-time employees and that has a value of at least \$100,000 that is paid wholly or partly from public funds of the governmental entity.

(b) Prohibits a governmental entity, except as provided by Subsection (c) and Section 2274.003, from entering into a contract with a company for the purchase of goods or services unless the contract contains a written verification from the company that it:

(1) does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of the contract against a firearm entity or firearm trade association.

(c) Provides that Subsection (b) does not apply to a governmental entity that:

(1) contracts with a sole-source provider; or

(2) does not receive any bids from a company that is able to provide the written verification required by that subsection.

Sec. 2274.003. CERTAIN CONTRACTS EXEMPTED. (a) Provides that a contract entered into in connection with or relating to the issuance, sale, or delivery of notes under Subchapter H (Tax and Revenue Anticipation Notes), Chapter 404 (State Treasury Operations of Comptroller), or the administration of matters related to the notes, including the investment of note proceeds, is exempt from this chapter if, in the Comptroller of Public Account of the State of Texas's (comptroller) sole discretion, the comptroller determines that compliance with Section 2274.002 is likely to prevent:

(1) an issuance, sale, or delivery that is sufficient to address the general revenue cash flow shortfall forecast; or

(2) the administration of matters related to the notes.

(b) Requires the comptroller, before making a determination under Subsection (a), to:

(1) survey potential respondents or bidders to a solicitation for a contract described by Subsection (a) to determine the number of qualified potential respondents or bidders that are able to provide the written verification required by Section 2274.002; and

(2) evaluate the historical bidding performance of qualified potential bidders.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2021.