Amend CSSB 541 (senate committee printing) as follows:

(1) In SECTION 2 of the bill, in added Section 2155.077(a-3)(3), Government Code (page 2), strike lines 4 and 5 and substitute the following:

Homeland Security Council, with advice from the governor, unless the federal government has determined that the vendor does not pose a risk to national security.

(2) IN SECTION 3 of the bill, in added Section 271.909(3), Local Government Code (page 2), strike lines 20 and 21 and substitute the following:

Homeland Security Council, with advice from the governor, unless the federal government has determined that the vendor does not pose a risk to national security.

(3) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS accordingly:

SECTION ____. Section 421.026, Government Code, is amended to read as follows:

Sec. 421.026. <u>REPORTS</u> [<u>REPORT</u>]. (a) The council shall annually submit to the governor a report stating:

(1) the status and funding of state programs designed to detect and deter homeland security emergencies, including the status and funding of counterterrorism efforts;

(2) recommendations on actions to reduce threats to homeland security, including threats related to terrorism; and

(3) recommendations for improving the alert, response, and recovery capabilities of state and local agencies.

(b) The council shall submit a report to the legislature identifying each vendor designated as a risk to state security for purposes of barring the vendor from participating in contracts under Section 2155.077(a-3)(3) of this code and Section 271.909(3), Local Government Code. The council shall submit an update to the report under this subsection each time the council designates a vendor as a risk to state security.

1