

By: Eckhardt

S.B. No. 877

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the consideration of ownership interests of certain
3 persons in determining whether a business is a historically
4 underutilized business for purposes of state contracting.

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

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

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

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

12 (i) Black Americans;

13 (ii) Hispanic Americans;

14 (iii) women;

15 (iv) Asian Pacific Americans;

16 (v) Native Americans; ~~and~~

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

21 (vii) persons with a disability as defined
22 by 42 U.S.C. Section 12102; and

23 (viii) persons who identify as one or more
24 of the following sexual orientations or gender identities:

- 1 (a) gay;
- 2 (b) lesbian;
- 3 (c) bisexual;
- 4 (d) transgender;
- 5 (e) queer;
- 6 (f) intersex; or
- 7 (g) asexual; and

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

11 SECTION 2. Section [2161.002](#), Government Code, is amended by
12 adding Subsection (e) to read as follows:

13 (e) The comptroller shall adopt rules to provide goals for
14 increasing the contract awards for the purchase of goods or
15 services by the comptroller and other state agencies to businesses
16 that qualify as historically underutilized businesses because the
17 businesses are at least 51 percent owned or owned, operated, and
18 controlled, as required by Section [2161.001\(2\)](#), by one or more
19 persons with a disability as defined by 42 U.S.C. Section 12102 or
20 one or more persons who identify as one or more of the sexual
21 orientations or gender identities described by Section
22 [2161.001\(3\)\(A\)\(viii\)](#). The goals established under this subsection
23 are in addition to the goals established under Subsections (c) and
24 (d), and the goals established under Subsections (c) and (d) may not
25 be reduced as a result of the establishment of goals under this
26 subsection.

27 SECTION 3. Section [2161.061](#), Government Code, is amended by

1 adding Subsection (f) to read as follows:

2 (f) To be certified by the comptroller as a historically
3 underutilized business, a business owned by one or more persons who
4 qualify as economically disadvantaged solely based on being a
5 person with a disability as defined by 42 U.S.C. Section 12102 must
6 submit to the comptroller an affidavit from a physician licensed to
7 practice medicine in this state for each owner claiming a
8 disability verifying that owner's disability.

9 SECTION 4. Section 2161.125, Government Code, is amended to
10 read as follows:

11 Sec. 2161.125. CATEGORIZATION OF HISTORICALLY
12 UNDERUTILIZED BUSINESSES. The comptroller, in cooperation with
13 each state agency reporting under this subchapter, shall categorize
14 each historically underutilized business included in a report under
15 this subchapter by sex, race, and ethnicity and by whether the
16 business qualifies as a historically underutilized business
17 because it is owned or owned, operated, and controlled, as
18 applicable, wholly or partly by one or more persons with a
19 disability as defined by 42 U.S.C. Section 12102, one or more
20 persons who identify as one or more of the sexual orientations or
21 gender identities described by Section 2161.001(3)(A)(viii), or
22 one or more veterans as defined by 38 U.S.C. Section 101(2) who have
23 suffered at least a 20 percent service-connected disability as
24 defined by 38 U.S.C. Section 101(16).

25 SECTION 5. This Act takes effect September 1, 2023.