

BILL ANALYSIS

Senate Research Center
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S.B. 1067
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Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Contracts between vendors and state procuring agencies are reassigned often as businesses change hands or new subsidiaries are created. While the contract is still binding, the new vendor may not receive the same scrutiny as the agency's procurement process provides. A lack of scrutiny on the ability of the new vendor 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 will provide approval and notification requirements to be met prior to the reassignment of certain contracts.

As proposed, S.B. 1067 amends current law relating to notice and approval of the assignment of vendor's rights under certain state agency contracts.

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 Subchapter F, Chapter 2054, Government Code, by adding Section 2054.137, as follows:

Sec. 2054.137. APPROVAL REQUIRED FOR ASSIGNMENT OF CERTAIN CONTRACTS. (a) Defines "sensitive personal information."

(b) Provides that this section applies only to a contract awarded by a state agency for a major information resources project or involving sensitive personal information.

(c) Prohibits a vendor from assigning the vendor's rights under a contract to which this section applies to a third party unless the assignment is approved by the quality assurance team.

(d) Requires a state agency that receives notice that a vendor proposes to make an assignment subject to approval under Subsection (c) to notify the Legislative Budget Board and the quality assurance team of the proposed assignment.

SECTION 2. Makes application of Section 2054.137, as added by this Act, prospective.

SECTION 3. Effective date: September 1, 2019.