

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 1067
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Finance
4/3/2019
Committee Report (Substituted)

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

C.S.S.B. 1067 amends current law relating to notice and approval of the assignment of vendor's rights under state agency contracts for services.

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 B, Chapter 2262, Government Code, by adding Section 2262.056, as follows:

Sec. 2262.056. APPROVAL REQUIRED FOR ASSIGNMENT OF SERVICES CONTRACTS. (a) Defines "major information resources project" and "sensitive personal information."

(b) Prohibits a vendor awarded a services contract by a state agency from assigning the vendor's rights under the contract to a third party unless the assignment is approved by the state agency.

(c) Requires a state agency, at least 14 days before the state agency rejects or approves a vendor's proposed assignment under Subsection (b), to notify the Legislative Budget Board of the proposed assignment if the contract subject to the assignment:

(1) is for a major information resources project; or

(2) involves storing, receiving, processing, transmitting, disposing of, or accessing sensitive personal information in a foreign country.

SECTION 2. Makes application this Act prospective.

SECTION 3. Effective date: September 1, 2019.