

**SUBJECT:** Repealing the HUB exemption from public information disclosure

**COMMITTEE:** State Affairs — favorable, without amendment

**VOTE:** 8 ayes — Marchant, Madden, J. Davis, B. Cook, Elkins, Gattis, Lewis, Villarreal

0 nays

1 absent — Goodman

**WITNESSES:** For — *(Registered, but did not testify:)* Ken Whalen, Texas Daily Newspaper Association and Texas Press Association

Against — None

**BACKGROUND:** Government Code, sec. 552.021 generally requires that information held by a government entity be made available to the public. Sec. 552.128 exempts from this requirement information provided to a government entity by a historically underutilized or disadvantaged business (HUB) in connection with its application for HUB certification.

**DIGEST:** HB 1796 would repeal Government Code, sec. 552.128, the exemption from public disclosure of application information provided by a business seeking HUB certification.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2003.

**SUPPORTERS SAY:** HB 1796 would enable the public to help detect fraudulent applications for HUB status that are preventing legitimate HUBs from reaping the full benefit of programs designed to help them. The HUB application process should be transparent to the public to ensure that imposters can be uncovered and that people who receive HUB benefits truly qualify for them.

A business that was unwilling for its application information to be made public would not have to apply for HUB certification. The bill would not force any company to apply for any status that it did not judge to be in its best interest. However, if any private company wants to do business with the state as a HUB, it should have to comply with public information requirements.

**OPPONENTS  
SAY:**

HB 1796 would require an applicant for HUB status to make public financial data that could compromise its competitive advantage. Some HUBs already are reluctant to apply for HUB status because they do not give the accrediting agency access to their sensitive information. By making that information available to the public at large, HB 1796 would deter HUBs to an even greater extent from applying for a program designed for their benefit.