

## **BILL ANALYSIS**

Senate Research Center  
83R9039 CLG-D

S.B. 1496  
By: Davis; West  
Economic Development  
4/8/2013  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

In 1991, Texas instituted the historically underutilized business (HUB) program to increase the opportunities available to businesses owned by minorities and women in the area of state procurement and contracting. In accordance with 34 TAC 20.13, each state agency is required to make a good faith effort to utilize HUBs in contracts for construction, services (including professional and consulting services) and commodities purchases. Currently, however, neither the Texas Enterprise Fund nor the emerging technology fund require consideration of HUBs in making awards.

S.B. 1496 requires the governor to consider awarding money from the Texas Enterprise Fund and the emerging technology fund to HUBs that either pledge to create new jobs or relocate and bring jobs to Texas, providing more access to capital for HUBs, thus increasing their ability to grow.

As proposed, S.B. 1496 amends current law relating to use of the money from the Texas Enterprise Fund and the Texas emerging technology fund to benefit certain historically underutilized businesses.

### **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 Section 481.078, Government Code, by adding Subsections (n) and (o), as follows:

(n) Requires the governor, to encourage the development and location of historically underutilized businesses in this state, to consider making grants from the Texas Enterprise Fund:

(1) to recipients that are historically underutilized businesses in this state that commit to using the grants to create additional jobs; or

(2) to recipients that are historically underutilized businesses from outside the state that commit to relocate to this state.

(o) Defines "historically underutilized business" and "economically disadvantaged person" for purposes of this section.

SECTION 2. Amends Section 481.079(a), Government Code, as follows:

(a) Requires the governor, before the beginning of each regular session of the legislature, to submit to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature a report on grants made under Section 481.078 (Texas Enterprise Fund) that states:

(1)-(9) Makes no change to these subdivisions; and

(10) the total number of grant recipients that are historically underutilized businesses and the total amount of grants made to those recipients.

SECTION 3. Amends Section 490.101, Government Code, by adding Subsections (j) and (k), as follows:

(j) Requires the governor, to encourage the development and location of historically underutilized businesses in this state, to consider making awards from the Texas emergency technology fund:

(1) to recipients that are historically underutilized businesses in this state that commit to using the awards to create additional jobs; or

(2) to recipients that are historically underutilized businesses from outside the state that commit to relocate to this state.

(k) Defines "historically underutilized business" and "economically disadvantaged person" for purposes of this section.

SECTION 4. Amends Section 490.005(b), Government Code, as follows:

(b) Requires that the annual report that includes certain information regarding awards made under the Texas emerging technology fund required to be submitted by the governor also contain:

(1) Makes no change to this subdivision;

(2)-(3) Makes nonsubstantive changes; and

(4) the total number of recipients of awards from the fund that are historically underutilized businesses and the total amount of awards made to those recipients.

SECTION 5. Effective date: upon passage or September 1, 2013.