

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1075 Office of Supplier Diversity of the Department of Management Services
SPONSOR(S): Governmental Affairs Policy Committee and Braynon
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 1612

| | REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|----|---|------------------|----------------|-----------------------|
| 1) | Governmental Affairs Policy Committee | 13 Y, 0 N, As CS | McDonald | Williamson |
| 2) | Policy Council | 12 Y, 0 N | Varn | Ciccione |
| 3) | Economic Development & Community Affairs Policy Council | | | |
| 4) | | | | |
| 5) | | | | |

SUMMARY ANALYSIS

The Office of Supplier Diversity (office) is established within the Department of Management Services (department) to assist minority business enterprises (MBEs) in becoming suppliers of commodities, services, and construction to state government. One of the duties of the office is to certify MBEs pursuant to specified statutory criteria, and to recertify MBEs at least once every two years. Recertification is accomplished via a process in which a vendor enters information in online forms, prints the forms, has the forms notarized, and returns the forms to the office.

Committee Substitute for House Bill 1075 amends the minority business enterprise certification and recertification process by deleting the requirement for an affidavit and by permitting certifications to include electronic signatures. According to the Office of Supplier Diversity in the Department of Management Services, this change in law would fully automate the recertification process.

The bill has no fiscal impact.

The bill takes effect July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

The Office of Supplier Diversity (office) is established within the Department of Management Services (department) to assist minority business enterprises (MBEs) in becoming suppliers of commodities, services, and construction to state government.¹ One of the duties of the office is to certify MBEs² pursuant to specified statutory criteria,³ and to recertify MBEs at least once every two years. Recertification is accomplished via a process in which a vendor enters information in online forms, prints the forms, has the forms notarized, and returns the forms to the office.

The Uniform Electronic Transaction Act in Ch. 668, F.S., permits governmental agencies to accept electronic signatures,⁴ and defines an "electronic signature" as an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.⁵

Effect of Proposed Changes

CS/HB 1075 provides that the certification of a minority business enterprise may include an electronic signature, and deletes the requirement for an affidavit.

According to the Department of Management Services, the option of electronic signature would fully automate the recertification process.⁶

B. SECTION DIRECTORY:

Section 1. Amends s. 287.09451, F.S., removing the requirement for an affidavit and permitting that certifications may include an electronic signature.

¹ Section 287.09451(2), F.S.

² Minority business enterprises are defined in s. 288.703, F.S.

³ Sections 287.0943 and 287.09431, F.S., specify the requirements for certification as an MBE.

⁴ Section 668.50(18), F.S.

⁵ Section 668.50(2)(h), F.S.

⁶ Analysis of HB 1075, Department of Management Services, February 10, 2010, p. 1 (on file with the Governmental Affairs Policy Committee).

Section 2. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 24, 2010, the Governmental Affairs Policy Committee adopted a strike-all amendment to conform the bill to its Senate companion, CS/SB 1612. The Committee Substitute amends the minority business enterprise certification and recertification process by deleting the requirement for an affidavit and by permitting certifications to include electronic signatures.

The bill was reported favorably as a Committee Substitute. The analysis reflects the Committee Substitute.