

By: Brimer

S.B. No. 1771

A BILL TO BE ENTITLED

AN ACT

relating to creation of the Texas Enterprise Fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter E, Chapter 481, Government Code, is amended by adding Sections 481.078 to read as follows:

Sec. 481.078. TEXAS ENTERPRISE FUND. (a) The Texas Enterprise Fund is an account in the general revenue fund.

(b) The following amounts shall be deposited in the fund:

(1) any amounts appropriated by the legislature for the fund;

(2) interest earned on the investment of money in the fund;

(3) \$390,000,000 appropriated from the economic stabilization fund; and

(4) gifts, grants, and other donations received for the fund.

(c) The fund may be used for economic development, infrastructure development, community development, job training programs, and business incentives.

(d) The Governor shall have authority to negotiate on behalf of the state to grant money from the fund, and may only appropriate funds along with the express written consent of the Lieutenant Governor and Speaker of the House of Representatives.

(e) Before granting money from the fund, the Governor,

1 Lieutenant Governor, and Speaker of the House of Representatives
2 must enter into a written agreement with the entity being granted
3 funds specifying that:

4 (1) if all or any portion of the amount of the grant is
5 used to build infrastructure or make any other type of capital
6 improvement, the state must:

7 (A) retain a lien or other interest in the
8 capital improvement in proportion to the percentage of the grant
9 amount used to pay for the capital improvement; and

10 (B) ensure that if the capital improvement is
11 sold, the recipient repays the department, with interest at the
12 agreed rate and terms, any state money used to pay for the capital
13 improvement and shares with this state a proportionate amount of
14 any profit realized from the sale; and

15 (2) if, upon the expiration of a date provided in the
16 agreement, the grant recipient fails to use an amount awarded under
17 this section for any of the purposes for which the grant was
18 intended, the recipient shall repay that amount and any related
19 interest to the state at the agreed rate and terms.

20 SECTION 2. This Act takes effect September 1, 2003.