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S.B. No. 637

A BILL TO BE ENTITLED

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AN ACT

relating to use of the money from the Texas Enterprise Fund to benefit small businesses.

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

SECTION 1. The vital importance of small businesses to the economy of this state and the well-being of its residents requires that it be the policy of this state to encourage the creation and location of small businesses in this state and promote opportunities for those businesses to prosper.

SECTION 2. Section 481.078, Government Code, is amended by adding Subsection (k) to read as follows:

(k) To encourage the creation, development, and location of small businesses in this state, the governor shall consider making grants from the fund to recipients that are small businesses in this state or that commit to using the grants to create new small businesses in this state or relocate small businesses from outside the state to this state. For the purposes of this subsection, "small business" means a legal entity, including a corporation, partnership, or sole proprietorship, that:

- (1) is formed for the purpose of making a profit;
- (2) is independently owned and operated; and
- (3) has fewer than 100 employees.

SECTION 3. This Act takes effect September 1, 2007.