

## **BILL ANALYSIS**

Senate Research Center  
81R36401 JE-F

C.S.H.B. 394  
By: Rose et al. (Van de Putte)  
Economic Development  
5/22/2009  
Committee Report (Substituted)

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

The Texas Enterprise Fund (TEF) was created to attract new jobs and employers to Texas. The fund is intended to create economic development incentives, but there are currently no statutory requirements in place specifying how the grants are awarded, although applicants generally are judged on job creation and wages, capital investments, financial strength, business history, and public/private sector support. More specifically, there is nothing encouraging the incentives to be directed to promote small business development.

Small businesses in Texas deserve to receive the same opportunities from the state to foster their businesses. Small businesses create two-thirds of all new jobs in the state, but too often, small business owners need help in developing their business plans and succeeding. If they were able to receive grant money from the TEF, they could more easily establish their role as prominent contributors to the state's economy.

C.S.H.B. 394 relates to the use of the money from TEF to benefit small 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. Sets forth a policy statement.

SECTION 2. Amends Section 481.078, Government Code, by adding Subsections (k) and (l), as follows:

(k) Requires the governor, to encourage the creation, development and location of small businesses in this state, to consider making grants from the Texas Enterprise Fund to recipients that are small businesses in this state that commit to using the grants to create additional jobs or small businesses from outside the state that commit to relocate to this state.

(l) Defines, for purposes of Subsection (k), "small business."

SECTION 3. Effective date: upon passage or September 1, 2009.