

BILL ANALYSIS

C.S.H.B. 977
By: Burnam
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Enterprise Fund was created to allow the State of Texas to attract new industry and business. The energy industry is a vital part of the Texas and U.S. economies, and renewable energy is the new frontier of this industry.

The geography of Texas is ideal for many renewable energy sources including wind, solar, and tidal. To date, the Texas Enterprise Fund has been used to attract only one renewable energy business, representing 0.3 percent of the disbursements from that fund. The one project generated 255 new jobs.

C.S.H.B. 977 requires that at least 10 percent of the grants made by the Texas Enterprise Fund be given to renewable energy projects, unless the governor determines that compliance would be impracticable or inconsistent with fund purposes. The bill requires the governor to submit an annual report to the legislature regarding any grants awarded under the fund and a biennial report on the reasons for noncompliance.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 977 amends the Government Code to require at least 10 percent of the total amount of grants made from the Texas Enterprise Fund to be used to fund the establishment and expansion of enterprises that have as their primary purpose the provision of energy derived from renewable energy technology, unless the governor determines that compliance would be impracticable or would be inconsistent with the purpose and intent of the fund.

C.S.H.B. 977 requires the governor to submit an annual report to the legislature regarding any grants awarded during the reporting period. The bill requires the governor, if the governor determines that compliance would be impracticable or would be inconsistent with the purpose and intent of the fund, to submit a biennial report to the legislature that contains a statement of the particular reasons for noncompliance and certain specified information regarding each enterprise that applied for a grant during the reporting period.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 977 differs from the original by setting the minimum percentage of the total amount of grants made from the Texas Enterprise Fund to be used for the purpose set forth in the bill at 10

percent rather than 20 percent. The substitute adds an exception not in the original in the event that the governor determines that compliance with the grant requirement would be impracticable or would be inconsistent with the purpose and intent of the fund.

C.S.H.B. 977 adds a provision not in the original requiring the governor to submit an annual report to the legislature regarding any grants awarded during the reporting period and, if the governor determines that compliance would be impracticable or inconsistent with the purpose and intent of the fund, to submit a biennial report to the legislature that provides the reasons for noncompliance and certain information regarding each enterprise that applied for a grant during the reporting period.