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H.B. No. 394

A BILL TO BE ENTITLED

1 AN ACT
2 relating to use of the money from the Texas Enterprise Fund to
3 benefit small businesses.

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

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

10 SECTION 2. Section 481.078, Government Code, is amended by
11 adding Subsections (k), (l), (m), (n), and (o) to read as follows:

12 (k) To encourage the development and location of small
13 businesses in this state, the governor shall consider making grants
14 from the fund:

15 (1) to recipients that are small businesses in this
16 state that commit to using the grants to create additional jobs;

17 (2) to recipients that are small businesses from
18 outside the state that commit to relocate to this state; or

19 (3) for individual projects that create 100 or fewer
20 additional jobs.

21 (l) For purposes of Subsection (k), "small business" means a
22 legal entity, including a corporation, partnership, or sole
23 proprietorship, that:

24 (1) is formed for the purpose of making a profit;

1 (2) is independently owned and operated; and

2 (3) has fewer than 100 employees.

3 (m) In making grants under Subsection (k), the governor
4 shall consider making grants from the fund to historically
5 underutilized businesses, as defined by Section 2161.001.

6 (n) In deciding to award a grant under Subsection (k), the
7 governor must give priority to a small business over a business that
8 pays any of the grant funds to an executive in the form of
9 compensation above the executive's base salary.

10 (o) The governor is encouraged to consider making grants
11 from the fund to support the establishment and expansion of small
12 businesses in this state that have as their primary purpose the
13 provision of energy derived from renewable energy technology, as
14 defined by Section 39.904(d), Utilities Code.

15 SECTION 3. This Act takes effect September 1, 2009.