

1-1 By: Rose, et al. (Senate Sponsor - Van de Putte) H.B. No. 394  
1-2 (In the Senate - Received from the House March 30, 2009;  
1-3 April 7, 2009, read first time and referred to Committee on  
1-4 Economic Development; May 23, 2009, reported adversely, with  
1-5 favorable Committee Substitute by the following vote: Yeas 5,  
1-6 Nays 0; May 23, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 394 By: Eltife

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to use of the money from the Texas Enterprise Fund to  
1-11 benefit small businesses.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The vital importance of small businesses to the  
1-14 economy of this state and the well-being of its residents requires  
1-15 that it be the policy of this state to encourage the creation and  
1-16 location of small businesses in this state and promote  
1-17 opportunities for those businesses to prosper.

1-18 SECTION 2. Section 481.078, Government Code, is amended by  
1-19 adding Subsections (k) and (l) to read as follows:

1-20 (k) To encourage the creation, development, and location of  
1-21 small businesses in this state, the governor shall consider making  
1-22 grants from the fund to recipients that are:

1-23 (1) small businesses in this state that commit to  
1-24 using the grants to create additional jobs; or

1-25 (2) small businesses from outside the state that  
1-26 commit to relocate to this state.

1-27 (l) For purposes of Subsection (k), "small business" means a  
1-28 legal entity, including a corporation, partnership, or sole  
1-29 proprietorship, that:

1-30 (1) is formed for the purpose of making a profit;

1-31 (2) is independently owned and operated; and

1-32 (3) has fewer than 100 employees.

1-33 SECTION 3. This Act takes effect immediately if it receives  
1-34 a vote of two-thirds of all the members elected to each house, as  
1-35 provided by Section 39, Article III, Texas Constitution. If this  
1-36 Act does not receive the vote necessary for immediate effect, this  
1-37 Act takes effect September 1, 2009.

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