

1-1 By: Button, et al. (Senate Sponsor - Deuell) H.B. No. 1277
1-2 (In the Senate - Received from the House May 14, 2009;
1-3 May 15, 2009, read first time and referred to Committee on Economic
1-4 Development; May 25, 2009, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
1-6 May 25, 2009, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1277 By: Harris

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

1-10 relating to the Texas Enterprise Fund, including the use of money
1-11 from the fund, the terms of a grant agreement, and the duties of a
1-12 grant recipient or entity that acquires a grant recipient.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. (a) Money appropriated from the Texas
1-15 Enterprise Fund under Section 481.078, Government Code, for the
1-16 state fiscal biennium beginning September 1, 2009, and ending
1-17 August 31, 2011, may be used for incentives to retain businesses in
1-18 this state that are considering relocating to a location outside of
1-19 this state, including a location outside of the United States.

1-20 (b) This section expires January 1, 2012.

1-21 SECTION 2. Section 481.078, Government Code, is amended by
1-22 amending Subsection (c) and adding Subsection (m) to read as
1-23 follows:

1-24 (c) Except as provided by Subsection (d), the fund may be
1-25 used only for economic development, infrastructure development,
1-26 community development, job training programs, and business
1-27 incentives, including incentives to retain businesses in this state
1-28 that are considering relocating to a location outside of this
1-29 state, including a location outside of the United States, subject
1-30 to Subsection (m).

1-31 (m) This subsection applies only to a state fiscal biennium
1-32 on the first day of which the unemployment rate for this state, as
1-33 determined by the federal Bureau of Labor Statistics, is seven
1-34 percent or more. Money appropriated from the fund for a state
1-35 fiscal biennium to which this subsection applies may be used for
1-36 incentives to retain businesses in this state that are considering
1-37 relocating to a location outside of this state, including a
1-38 location outside of the United States.

1-39 SECTION 3. Section 481.078, Government Code, is amended by
1-40 adding Subsections (f-1) and (f-2) to read as follows:

1-41 (f-1) An entity that acquires, by merger, acquisition, or
1-42 other transfer, ownership or control of a grant recipient shall:

1-43 (1) report the change in ownership or control to the
1-44 governor; and

1-45 (2) comply with the terms and conditions of the grant
1-46 agreement entered into by the grant recipient and any other
1-47 requirement imposed on the grant recipient in connection with the
1-48 grant award.

1-49 (f-2) The grant agreement must include a provision
1-50 regarding the requirements of Subsection (f-1). A grant recipient
1-51 that is the subject of a merger, acquisition, or other transfer of
1-52 ownership or control shall include language in each contract
1-53 relating to the transfer that informs the acquiring entity of its
1-54 duties and obligations under Subsection (f-1).

1-55 SECTION 4. Sections 481.078(f-1) and (f-2), Government
1-56 Code, as added by this Act, apply only to an agreement that is
1-57 entered into on or after the effective date of this Act. An
1-58 agreement that is entered into before the effective date of this Act
1-59 is governed by the law in effect on the date the agreement was
1-60 entered into, and the former law is continued in effect for that
1-61 purpose.

1-62 SECTION 5. (a) Except as provided by Subsection (b) of this
1-63 section, this Act takes effect September 1, 2009.

2-1 (b) Section 2 of this Act takes effect September 1, 2011.

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