

By: Gattis

H.B. No. 2312

Substitute the following for H.B. No. 2312:

By: Hardcastle

C.S.H.B. No. 2312

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the creation of a rural economic development and
3 investment program.

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

5 SECTION 1. This Act shall be known as the Rural Economic
6 Development and Investment Act.

7 SECTION 2. Chapter 12, Agriculture Code, is amended by
8 adding Section 12.0271 to read as follows:

9 Sec. 12.0271. RURAL ECONOMIC DEVELOPMENT AND INVESTMENT
10 PROGRAM. (a) From funds appropriated for that purpose, the
11 commissioner shall establish and administer a financial assistance
12 program to encourage private economic development in rural areas.
13 Financial assistance under the program may be provided only to:

14 (1) a county with a population of not more than 75,000;
15 or

16 (2) a municipality with a population of not more than
17 50,000.

18 (b) Financial assistance under Subsection (a) may be used
19 only for a project relating to:

20 (1) the acquisition or development of land, easements,
21 or rights-of-way;

22 (2) attracting new private enterprises to the county
23 or municipality, including:

24 (A) manufacturing facilities;

1 (B) freight storage facilities;

2 (C) distribution warehouse centers; and

3 (D) other nonretail private enterprises;

4 (3) the construction, extension, or other improvement

5 of:

6 (A) water or waste disposal facilities; or

7 (B) transportation infrastructure; or

8 (4) any other activity relating to private economic

9 development that the commissioner determines will encourage

10 economic and infrastructure development in a rural area.

11 (c) To further a purpose described by Subsection (b), the
12 commissioner may provide financial assistance to an eligible county
13 or municipality by:

14 (1) extending credit by direct loan, based on the
15 credit of the county or municipality;

16 (2) providing a credit enhancement;

17 (3) effectively lowering interest rates;

18 (4) financing a purchase or lease agreement in
19 connection with an economic or infrastructure development project;

20 or

21 (5) providing methods of leveraging money that have
22 been approved by a federal cabinet-level agency and relate to the
23 project for which the assistance is provided.

24 (d) A county or municipality that receives funds under
25 Subsection (c) shall segregate the funds from other funds under the
26 control of the county or municipality and use the funds only for a
27 purpose described by this section. Any funds disbursed through the

1 program must be repaid on terms determined by the department.

2 (e) The department shall adopt rules necessary to implement
3 this section.

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