

By: Swinford

H.B. No. 2366

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas bioenergy fund.

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

SECTION 1. Chapter 12, Agriculture Code, is amended by adding Section 12.044 to read as follows:

Sec. 12.044. TEXAS BIOENERGY FUND. (a) In this section, "bioenergy" means a renewable energy derived from biological sources.

(b) The Texas bioenergy fund is a dedicated account in the general revenue fund. The fund consists of:

(1) money appropriated to the fund;

(2) money from gifts, grants, or donations to the fund for a designated or general use; and

(3) interest earned on the investment of money in the fund.

(c) Money in the fund may be used by the department only to:

(1) make grants or loans to public or private entities for projects relating to the development, research, or generation of bioenergy, but only if a project:

(A) has strong support among persons located near the entities performing the projects;

(B) provides a significant return on the state's investment; and

(C) stimulates a diversified bioenergy sector in

1 this state; and

2 (2) administer the grant and loan program authorized
3 by this section.

4 (d) In making a grant or loan for a project, the department
5 shall consider:

6 (1) the project's effect on job creation and wages;

7 (2) the applicant's financial position;

8 (3) the applicant's business history;

9 (4) the project's plan for the development or
10 acquisition of feedstock grown or produced in this state;

11 (5) the project's use of fallow or out-of-production
12 land for feedstock development;

13 (6) the project's use of non-food;

14 (7) the project's benefit to agriculture producers;

15 (8) an analysis of the business sector relevant to the
16 project; and

17 (9) the existence of public or private sector
18 financial support for the project.

19 (e) Sections 403.095 and 404.071, Government Code, do not
20 apply to the fund.

21 (f) The department may accept gifts, donations, or grants
22 from any source for the benefit of the fund.

23 (g) The department shall adopt rules to administer this
24 section.

25 SECTION 2. This Act takes effect September 1, 2009.