

By: Strama

H.B. No. 4325

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a Sunny Day Fund to attract competitive federal grants to Texas under the American Recovery and Reinvestment Act.

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

SECTION 1. Section 481, Government Code, is amended by adding section 481.100 to read as follows:

Sec. 481.100 TEXAS RECOVERY AND REINVESTMENT FUND ("SUNNY DAY FUND")

(a) The Texas Recovery and Reinvestment Fund is a dedicated account in the Texas Economic Stabilization Fund.

(b) The following amounts shall be deposited in the fund:

(1) \$1 billion from the Economic Stabilization Fund;

(2) any amounts appropriated by the legislature for the fund for purposes described by this section;

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

(4) gifts, grants, and other donations received for the fund.

(c) The fund shall be used to provide matching grants to entities who successfully receive competitive grants for investments in Texas from the United States government pursuant to the American Recovery and Reinvestment Act.

(d) Subject to the availability of funds, the governor's

1 office shall award a grant from the Texas Recovery and Reinvestment
2 Fund to any applicant who receives a competitive grant for
3 investments in Texas from the United States government pursuant to
4 the American Recovery and Reinvestment Act.

5 (e) In the event that qualifying applicants request more
6 than the amount of available funds for state grants under this
7 statute, priority shall be based on the date of the award of a
8 competitive federal grant to the applicant.

9 (f) The grant awarded shall be a dollar amount equal to
10 one-third of the total amount awarded to the applicant by:

11 (1) the United States government in the form of a
12 competitive grant pursuant to the American Recovery and
13 Reinvestment Act, and

14 (2) any private entity or entities awarded for the
15 same purpose as the federal award identified in subsection
16 481.100(e)(1).

17 (g) The administration of the fund is considered to be a
18 trusteed program within the office of the governor.

19 (h) Before awarding a grant under this section, the governor
20 may enter into a written agreement with the entity to be awarded the
21 grant money specifying that:

22 (1) if all or any portion of the amount of the grant is
23 used to build a capital improvement:

24 (A) the state retains a lien or other interest in
25 the capital improvement in proportion to the percentage of the
26 grant amount used to pay for the capital improvement; and

27 (B) the recipient of the grant shall, if the

1 capital improvement is sold:

2 (i) repay to the state the grant money used
3 to pay for the capital improvement, with interest at the rate and
4 according to the other terms provided by the agreement; and

5 (ii) share with the state a proportionate
6 amount of any profit realized from the sale; and

7 (2) if, as of a date certain provided in the agreement,
8 the grant recipient has not used grant money awarded under this
9 section for the purposes for which the grant was intended, the
10 recipient shall repay that amount and any related interest to the
11 state at the agreed rate and on the agreed terms.

12 (i) The Texas Recovery and Reinvestment Fund shall cease to
13 exist on December 31, 2010 and all remaining amounts within the fund
14 shall be returned to the Texas Economic Stabilization Fund on that
15 date.

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