

By: Lucio III

H.B. No. 4646

A BILL TO BE ENTITLED

AN ACT

relating to a collateral guarantee program to aid small contractors in participating in public works projects.

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

SECTION 1. Section 2166.259, Government Code, is amended by adding Subsection (b-4) to read as follows:

(b-4) As part of the small contractor participation assistance program, the commission shall implement and administer a collateral guarantee program through which the commission may guarantee a working capital loan or surety bond to help enable a small contractor to participate in a public works project. The commission may provide a guarantee under this subsection only if the commission determines that the guarantee will further the development and diversification of the economy of this state or help to eliminate unemployment or underemployment in this state.

The commission:

(1) shall adopt rules to administer this section;

(2) shall manage the collateral guarantee program as a business initiative and economic development tool;

(3) shall adopt quality assurance and risk management requirements for the program;

(4) may partner with a nonprofit entity to implement this subsection;

(5) may establish a collateral guarantee fund and

1 accept gifts, grants, donations, and appropriated money for the  
2 fund; and

3 (6) may include a linked deposit interest rate  
4 reduction program in the collateral guarantee program.

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