

By: Estes, Hegar

S.B. No. 1988

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Rural Investment Fund.

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

SECTION 1. Chapter 12, Agriculture Code, is amended by adding Section 12.046 to read as follows:

Sec. 12.046. TEXAS RURAL INVESTMENT FUND. (a) In this section:

(1) "Fund" means the Texas Rural Investment Fund.

(2) "Rural community" means a municipality with a population of less than 50,000 or a county with a population of less than 200,000.

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

(1) appropriations of money to the fund by the legislature;

(2) gifts, grants, including federal grants, and other donations received for the fund; and

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

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

(1) pay for grants or loans to public or private entities for projects in rural communities that have strong local support, provide positive return on the state's investment, and stimulate one or more of the following:

- 1 (A) local entrepreneurship;
- 2 (B) job creation or retention;
- 3 (C) new capital investment;
- 4 (D) strategic economic development planning;
- 5 (E) individual economic and community
6 development leadership training;
- 7 (F) housing development; or
- 8 (G) innovative workforce education; and

9 (2) administer the grant and loan program under this
10 section.

11 (d) In awarding a grant or loan of money from the fund for a
12 project, the department shall consider:

- 13 (1) the project's effect on job creation and wages;
- 14 (2) the financial strength of the applicant;
- 15 (3) the applicant's business history;
- 16 (4) an analysis of the relevant business sector;
- 17 (5) whether there is public or private sector
18 financial support for the project; and
- 19 (6) whether there is local support for the project.

20 (e) The fund is exempt from the application of Sections
21 403.095 and 404.071, Government Code.

22 (f) The department may accept grants, gifts, or donations
23 from any source that are made for the purposes of this section.
24 Money received under this subsection shall be deposited in the
25 fund.

26 (g) The department shall adopt rules to administer this
27 section.

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