

1-1 By: Estes, Hegar S.B. No. 1988
1-2 (In the Senate - Filed March 12, 2009; March 24, 2009, read
1-3 first time and referred to Committee on Agriculture and Rural
1-4 Affairs; April 8, 2009, reported favorably by the following vote:
1-5 Yeas 5, Nays 0; April 8, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the Texas Rural Investment Fund.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Chapter 12, Agriculture Code, is amended by
1-11 adding Section 12.046 to read as follows:

1-12 Sec. 12.046. TEXAS RURAL INVESTMENT FUND. (a) In this
1-13 section:

1-14 (1) "Fund" means the Texas Rural Investment Fund.

1-15 (2) "Rural community" means a municipality with a
1-16 population of less than 50,000 or a county with a population of less
1-17 than 200,000.

1-18 (b) The fund is a dedicated account in the general revenue
1-19 fund and consists of:

1-20 (1) appropriations of money to the fund by the
1-21 legislature;

1-22 (2) gifts, grants, including federal grants, and other
1-23 donations received for the fund; and

1-24 (3) interest earned on the investment of money in the
1-25 fund.

1-26 (c) The fund may be used by the department only to:

1-27 (1) pay for grants or loans to public or private
1-28 entities for projects in rural communities that have strong local
1-29 support, provide positive return on the state's investment, and
1-30 stimulate one or more of the following:

1-31 (A) local entrepreneurship;

1-32 (B) job creation or retention;

1-33 (C) new capital investment;

1-34 (D) strategic economic development planning;

1-35 (E) individual economic and community
1-36 development leadership training;

1-37 (F) housing development; or

1-38 (G) innovative workforce education; and

1-39 (2) administer the grant and loan program under this
1-40 section.

1-41 (d) In awarding a grant or loan of money from the fund for a
1-42 project, the department shall consider:

1-43 (1) the project's effect on job creation and wages;

1-44 (2) the financial strength of the applicant;

1-45 (3) the applicant's business history;

1-46 (4) an analysis of the relevant business sector;

1-47 (5) whether there is public or private sector
1-48 financial support for the project; and

1-49 (6) whether there is local support for the project.

1-50 (e) The fund is exempt from the application of Sections
1-51 403.095 and 404.071, Government Code.

1-52 (f) The department may accept grants, gifts, or donations
1-53 from any source that are made for the purposes of this section.

1-54 Money received under this subsection shall be deposited in the
1-55 fund.

1-56 (g) The department shall adopt rules to administer this
1-57 section.

1-58 SECTION 2. This Act takes effect September 1, 2009.

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