

1-1 By: Averitt S.B. No. 2585  
1-2 (In the Senate - Filed May 13, 2009; May 13, 2009, read  
1-3 first time and referred to Committee on Business and Commerce;  
1-4 May 15, 2009, reported favorably by the following vote: Yeas 6,  
1-5 Nays 1; May 15, 2009, sent to printer.)

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

1-8 relating to reauthorization of small business incentive program.

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

1-10 SECTION 1. (a) Section 228.001, Insurance Code, as added  
1-11 by Chapter 730 (H.B. 2636), Acts of the 80th Legislature, Regular  
1-12 Session, 2007, is amended to conform to the amendment of Article  
1-13 4.51, Insurance Code, by Section 1, Chapter 303 (H.B. 1741), Acts of  
1-14 the 80th Legislature, Regular Session, 2007, and further amended by  
1-15 adding Subdivisions (5-a), (7-a), (7-b), and (7-c) to read as  
1-16 follows:

1-17 (5-a) "Low-income community" has the meaning assigned  
1-18 by Section 45D(e), Internal Revenue Code of 1986.

1-19 (7-a) "Program One" means the program for allocation  
1-20 and investment of certified capital under this chapter before  
1-21 January 1, 2007.

1-22 (7-b) "Program Two" means the program for allocation  
1-23 and investment of certified capital under this chapter on or after  
1-24 January 1, 2007, and before January 1, 2010.

1-25 (7-c) "Program Three" means the program for allocation  
1-26 and investment of certified capital under this chapter on or after  
1-27 January 1, 2010.

1-28 (b) Section 1, Chapter 303 (H.B. 1741), Acts of the 80th  
1-29 Legislature, Regular Session, 2007, which amended former Article  
1-30 4.51, Insurance Code, by adding Subdivisions (16), (17), and (18),  
1-31 is repealed.

1-32 SECTION 2. Subchapter B, Chapter 228, Insurance Code, is  
1-33 amended by adding Section 228.0525 to read as follows:

1-34 Sec. 228.0525. ACCEPTANCE OF PREMIUM TAX ALLOCATION CLAIMS.

1-35 (a) The rules adopted under Section 228.052 must provide that the  
1-36 comptroller shall accept premium tax credit allocation claims on  
1-37 behalf of certified investors with respect to Program Three not  
1-38 later than January 1, 2010.

1-39 (b) This section expires January 15, 2010.

1-40 SECTION 3. Section 228.251, Insurance Code, is amended by  
1-41 adding Subsection (d) to read as follows:

1-42 (d) With respect to credits earned as a result of  
1-43 investments made under Program Three, beginning with the tax report  
1-44 due March 1, 2015, for the 2014 tax year, a certified investor may  
1-45 take up to 25 percent of the vested premium tax credit in any  
1-46 taxable year of the certified investor. The credit may not be  
1-47 applied to estimated payments due in 2014.

1-48 SECTION 4. (a) Subsection (b), Section 228.253, Insurance  
1-49 Code, is amended to conform to the amendment of Subsection (a),  
1-50 Article 4.66, Insurance Code, by Section 6, Chapter 303 (H.B.  
1-51 1741), Acts of the 80th Legislature, Regular Session, 2007, and  
1-52 further amended to read as follows:

1-53 (b) The certified capital company must have filed the claim  
1-54 with the comptroller on the date on which the comptroller accepted  
1-55 premium tax credit allocation claims on behalf of certified  
1-56 investors with respect to Program One, Program Two, or Program  
1-57 Three, as applicable, under the comptroller's rules.

1-58 (b) Section 6, Chapter 303 (H.B. 1741), Acts of the 80th  
1-59 Legislature, Regular Session, 2007, which amended former  
1-60 Subsection (a), Article 4.66, Insurance Code, is repealed.

1-61 SECTION 5. (a) Section 228.254, Insurance Code, is amended  
1-62 to conform to the amendment of Article 4.67, Insurance Code, by  
1-63 Section 7, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,  
1-64 Regular Session, 2007, and further amended to read as follows:

2-1           Sec. 228.254. TOTAL LIMIT ON PREMIUM TAX CREDITS. (a) The  
2-2 total amount of certified capital for which premium tax credits may  
2-3 be allowed under this chapter for all years in which premium tax  
2-4 credits are allowed is:

- 2-5           (1) \$200 million for Program One;  
2-6           (2) \$200 million for Program Two; and  
2-7           (3) \$200 million for Program Three.

2-8           (b) The total amount of certified capital for which premium  
2-9 tax credits may be allowed for all certified investors under this  
2-10 chapter may not exceed the amount that would entitle all certified  
2-11 investors in certified capital companies to take total credits of  
2-12 \$50 million in a year with respect to Program One, \$50 million in a  
2-13 year with respect to Program Two, and \$50 million in a year with  
2-14 respect to Program Three.

2-15           (c) A certified capital company and the company's  
2-16 affiliates may not file premium tax credit allocation claims with  
2-17 respect to Program One, Program Two, or Program Three, as  
2-18 applicable, in excess of the maximum amount of certified capital  
2-19 for which premium tax credits may be allowed for that program as  
2-20 provided by this section.

2-21           (b) Section 7, Chapter 303 (H.B. 1741), Acts of the 80th  
2-22 Legislature, Regular Session, 2007, which amended former Article  
2-23 4.67, Insurance Code, is repealed.

2-24           SECTION 6. (a) Section 228.255, Insurance Code, is amended  
2-25 to conform to the amendment of Article 4.68, Insurance Code, by  
2-26 Section 8, Chapter 303 (H.B. 1741), Acts of the 80th Legislature,  
2-27 Regular Session, 2007, and further amended to read as follows:

2-28           Sec. 228.255. ALLOCATION OF PREMIUM TAX CREDIT. (a) If  
2-29 the total premium tax credits claimed by all certified investors  
2-30 with respect to Program One, Program Two, or Program Three, as  
2-31 applicable, exceeds the total limits on premium tax credits  
2-32 established for that program by Section 228.254(a), the comptroller  
2-33 shall allocate the total amount of premium tax credits allowed  
2-34 under this chapter to certified investors in certified capital  
2-35 companies on a pro rata basis in accordance with this section.

2-36           (b) The pro rata allocation for each certified investor  
2-37 shall be the product of:

2-38           (1) a fraction, the numerator of which is the amount of  
2-39 the premium tax credit allocation claim filed on behalf of the  
2-40 investor with respect to Program One, Program Two, or Program  
2-41 Three, as applicable, and the denominator of which is the total  
2-42 amount of all premium tax credit allocation claims filed on behalf  
2-43 of all certified investors with respect to that program; and

2-44           (2) the total amount of certified capital for which  
2-45 premium tax credits may be allowed with respect to that program  
2-46 under this chapter.

2-47           (c) The maximum amount of certified capital for which  
2-48 premium tax credit allocation may be allowed on behalf of a single  
2-49 certified investor and the investor's affiliates with respect to  
2-50 Program One, Program Two, or Program Three, as applicable, whether  
2-51 by one or more certified capital companies, may not exceed the  
2-52 greater of:

- 2-53           (1) \$10 million; or  
2-54           (2) 15 percent of the maximum aggregate amount  
2-55 available with respect to that program under Section 228.254(a).

2-56           (b) Section 8, Chapter 303 (H.B. 1741), Acts of the 80th  
2-57 Legislature, Regular Session, 2007, which amended former  
2-58 Subsections (a), (b), (c), and (e), Article 4.68, Insurance Code,  
2-59 is repealed.

2-60           SECTION 7. (a) In accordance with Subsection (c), Section  
2-61 311.031, Government Code, which gives effect to a substantive  
2-62 amendment enacted by the same legislature that codifies the amended  
2-63 statute, the text of Sections 228.001, 228.253, 228.254, and  
2-64 228.255, Insurance Code, as set out in Sections 1, 4, 5, and 6 of  
2-65 this Act, respectively, gives effect to changes made by Chapter 303  
2-66 (H.B. 1741), Acts of the 80th Legislature, Regular Session, 2007.

2-67           (b) To the extent of any conflict, this Act prevails over  
2-68 another Act of the 81st Legislature, Regular Session, 2009,  
2-69 relating to nonsubstantive additions and corrections in enacted

3-1 codes.

3-2 SECTION 8. This Act takes effect September 1, 2009.

3-3

\* \* \* \* \*