

**House Bill 394**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. The vital importance of small businesses to the economy of this state and the well-being of its residents requires that it be the policy of this state to encourage the development and location of small businesses in this state and promote opportunities for those businesses to prosper.

SECTION 2. Section 481.078, Government Code, is amended by adding Subsections (k), (l), (m), (n), and (o) to read as follows:

(k) To encourage the development and location of small businesses in this state, the governor shall consider making grants from the fund:

(1) to recipients that are small businesses in this state that commit to using the grants to create additional jobs;

(2) to recipients that are small businesses from outside the state that commit to relocate to this state; or

(3) for individual projects that create 100 or fewer additional jobs.

(1) For purposes of Subsection (k), "small business" means a legal entity, including a corporation, partnership, or sole proprietorship, that:

(1) is formed for the purpose of making a profit;

(2) is independently owned and operated; and

(3) has fewer than 100 employees.

(m) In making grants under Subsection (k), the governor shall consider making grants from the fund to historically underutilized businesses, as defined by Section 2161.001.

SENATE VERSION

Same as House version.

SECTION 2. Section 481.078, Government Code, is amended by adding Subsections (k) and (l) to read as follows:

(k) To encourage the development and location of small businesses in this state, the governor shall consider making grants from the fund:

(1) to recipients that are small businesses in this state that commit to using the grants to create additional jobs;

(2) to recipients that are small businesses from outside the state that commit to relocate to this state; or

(3) for individual projects that create 100 or fewer additional jobs.

(1) For purposes of Subsection (k), "small business" means a legal entity, including a corporation, partnership, or sole proprietorship, that:

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(n) In deciding to award a grant under Subsection (k), the governor must give priority to a small business over a business that pays any of the grant funds to an executive in the form of compensation above the executive's base salary.

(o) The governor is encouraged to consider making grants from the fund to support the establishment and expansion of small businesses in this state that have as their primary purpose the provision of energy derived from renewable energy technology, as defined by Section 39.904(d), Utilities Code.

SECTION 3. This Act takes effect September 1, 2009.

SENATE VERSION

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.

CONFERENCE