

1-1 By: Miles (Senate Sponsor - Estes) H.B. No. 2994  
1-2 (In the Senate - Received from the House May 12, 2011;  
1-3 May 12, 2011, read first time and referred to Committee on  
1-4 Agriculture and Rural Affairs; May 20, 2011, reported favorably by  
1-5 the following vote: Yeas 3, Nays 0; May 20, 2011, sent to printer.)

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

1-8 relating to the creation, operation, and funding of the urban farm  
1-9 microenterprise support program.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Title 3, Agriculture Code, is amended by adding  
1-12 Chapter 44A to read as follows:

1-13 CHAPTER 44A. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM

1-14 Sec. 44A.001. DEFINITIONS. In this chapter:

1-15 (1) "Board" means the board of directors of the Texas  
1-16 Agricultural Finance Authority.

1-17 (2) "Microenterprise" means a small business in which  
1-18 the owner operates the enterprise.

1-19 (3) "Urban area" means an area inside the boundaries  
1-20 of a municipality with a population of 500,000 or more.

1-21 Sec. 44A.002. CREATION OF URBAN FARM MICROENTERPRISE  
1-22 SUPPORT PROGRAM. (a) The board shall create an urban farm  
1-23 microenterprise support program to provide financial assistance to  
1-24 microenterprises in urban areas that are primarily engaged in:

1-25 (1) research into processes and technology related to  
1-26 agricultural production in an urban setting;

1-27 (2) the production or development of tools or  
1-28 processes for agriculture in a manner suited for an urban setting;  
1-29 or

1-30 (3) agricultural activities in a manner suited for an  
1-31 urban setting.

1-32 (b) No state money may be used for purposes of the program.

1-33 Sec. 44A.003. URBAN FARM MICROENTERPRISE SUPPORT PROGRAM  
1-34 LOANS. (a) On the receipt of gifts and grants of money under  
1-35 Section 44A.004, the board shall establish and implement a loan  
1-36 program supporting established and proposed urban farm  
1-37 microenterprises in urban areas by providing loans to expand,  
1-38 modernize, or otherwise improve the established microenterprises  
1-39 and to begin operation of proposed microenterprises.

1-40 (b) An applicant applying on behalf of a proposed  
1-41 microenterprise may receive a loan of up to \$25,000 to begin  
1-42 operation of the microenterprise.

1-43 (c) An applicant applying on behalf of an established  
1-44 microenterprise may receive a loan of up to \$50,000 to expand,  
1-45 modernize, or otherwise improve an established microenterprise.

1-46 (d) The board may reserve a portion of the total fund for use  
1-47 in cooperative loan programs established with the participation of  
1-48 other public or private lenders.

1-49 (e) The board by rule may provide for the administration by  
1-50 a private or public entity of the loans awarded under the loan  
1-51 program.

1-52 Sec. 44A.004. MONEY FOR LOANS. The board may accept gifts  
1-53 and grants of money from the federal government, local governments,  
1-54 or private corporations or other persons for use in making loans  
1-55 under the urban farm microenterprise support program.

1-56 Sec. 44A.005. URBAN FARM MICROENTERPRISE DEVELOPMENT FUND.  
1-57 The urban farm microenterprise development fund is a fund in the  
1-58 comptroller's office. The following shall be deposited to the  
1-59 credit of the fund:

1-60 (1) amounts received by the state for loans made under  
1-61 the urban farm microenterprise support program;

1-62 (2) money received in repayment of loans made under  
1-63 the program; and

1-64 (3) other money received by the board for the program

2-1 and required by the board to be deposited in the fund.

2-2 SECTION 2. This Act takes effect September 1, 2011.

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