

By: Veasey

H.B. No. 3070

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a social loan program.

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

SECTION 1. Chapter 531, Government Code, is amended by adding Subchapter Z to read as follows:

SUBCHAPTER Z. CRISIS LOAN PROGRAM

Sec. 531.991. DEFINITIONS. In this subchapter:

(1) "Lone Star Card" means the card issued by the commission to deliver benefits for the financial assistance program under Chapter 31, Human Resources Code, and the supplemental nutrition assistance program under Chapter 33, Human Resources Code.

(2) "Program" means the social loan program created under this subchapter.

Sec. 531.992. SOCIAL LOAN PROGRAM. (a) The commission shall establish and implement the social loan program for the purpose of making low-interest, short-term loans to low-income individuals under emergency circumstances. The program shall provide:

(1) lump-sum budgeting loans for the purpose of making a substantial emergency household purchase, including an appliance or fixture; and

(2) crisis loans for last resort assistance in paying basic expenses, including food and gasoline, after the occurrence

1 of a personal emergency.

2 (b) The commission may charge interest on a loan made under  
3 this subchapter for the purpose of covering the administrative  
4 costs of the program. The interest charge for a loan made under  
5 this subchapter may not exceed 15 percent a year.

6 (c) A loan made under this subchapter may not exceed \$400.

7 (d) The executive commissioner shall adopt rules as  
8 necessary to implement this subchapter.

9 Sec. 531.993. USE OF LOAN MONEY. (a) A loan made to a person  
10 under this subchapter may be used only to purchase goods and  
11 services that are considered essential and necessary for the  
12 welfare of the loan recipient or the loan recipient's family not  
13 covered by an assistance program listed under Section 531.994(1).

14 (b) The department by rule shall define what constitutes  
15 essential and necessary goods and services for purposes of this  
16 section.

17 Sec. 531.994. ELIGIBILITY. To be eligible to receive a loan  
18 under the program, an individual must:

19 (1) be a recipient of assistance or benefits under:

20 (A) the financial assistance program under  
21 Chapter 31, Human Resources Code;

22 (B) the medical assistance program under Chapter  
23 32, Human Resources Code;

24 (C) the supplemental nutrition assistance  
25 program under Chapter 33, Human Resources Code; or

26 (D) another appropriate health and human  
27 services program, as defined by the executive commissioner by rule;

1 and

2 (2) demonstrate an immediate need for an essential or  
3 necessary good or service as defined by rule under Section  
4 531.993(b).

5 Sec. 531.995. LOAN APPLICATION. The executive commissioner  
6 by rule:

7 (1) shall prescribe a standardized application form  
8 for the purpose of applying for a loan under this subchapter; and

9 (2) may establish a set of priorities for making loans  
10 under this subchapter.

11 Sec. 531.996. DISTRIBUTION OF LOAN. (a) Before  
12 distributing loan money to a loan recipient under this subchapter,  
13 the commission shall enter into a contract with the recipient that  
14 provides the terms and conditions of the loan.

15 (b) The commission shall distribute loan money under this  
16 subchapter using the loan recipient's Lone Star Card. If a loan  
17 recipient has not been issued a Lone Star Card at the time a loan is  
18 disbursed to the recipient, the commission shall issue a Lone Star  
19 Card to the recipient for purposes of distributing the loan under  
20 this subchapter.

21 Sec. 531.997. LOAN REPAYMENT. (a) As payment of a loan  
22 recipient's loan debt under this subchapter, the commission shall  
23 deduct payment on the loan from the assistance or benefits received  
24 by the recipient under an assistance program listed in Section  
25 531.994(1) at the rate and in the time provided in the contract  
26 entered into under Section 531.996(a).

27 (b) A loan recipient under this subchapter shall repay the

1 loan in full not later than the first anniversary of the date on  
2 which the loan was originally distributed.

3 Sec. 531.998. SOCIAL LOAN FUND. (a) The social loan fund is  
4 created as an account in the general revenue fund. The account is  
5 composed of:

6 (1) legislative appropriations;

7 (2) gifts, grants, donations, and matching funds  
8 received under Subsection (b); and

9 (3) other money required by law to be deposited in the  
10 account.

11 (b) The commission may solicit and accept gifts, grants, and  
12 donations from any public or private source for the purposes of this  
13 subchapter.

14 (c) Income from money in the account, including interest,  
15 shall be credited to the account.

16 (d) Money in the account may be used only for the purposes of  
17 this subchapter.

18 SECTION 2. Not later than December 1, 2012, the executive  
19 commissioner shall:

20 (1) establish and implement the social loan program as  
21 required by Subchapter Z, Chapter 531, Government Code, as added by  
22 this Act; and

23 (2) adopt the rules required by Sections 531.992(d),  
24 531.993(b), 531.994(1)(D), and 531.995, Government Code, as added  
25 by this Act.

26 SECTION 3. This Act takes effect December 1, 2011, but only  
27 if the constitutional amendment authorizing the legislature to

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1 create a social loan program is approved by the voters. If that  
2 amendment is not approved by the voters, this Act has no effect.