

AN ACT

relating to the allocation and transfer of money from the capital access fund by the Texas Economic Development Bank.

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

SECTION 1. Subchapter BB, Chapter 481, Government Code, is amended by adding Section 481.415 to read as follows:

Sec. 481.415. ALLOCATION AND TRANSFER OF MONEY FROM CAPITAL ACCESS FUND. (a) Notwithstanding any other provision of this subchapter, the bank may allocate money held in or due to the capital access fund to programs administered by the bank under Section 489.108 or Subchapter D, Chapter 489. The bank may transfer money from the capital access fund to the Texas product development fund or the Texas small business incubator fund.

(b) Notwithstanding Subchapter D, Chapter 489, the bank may use money transferred under Subsection (a) to make loans to small or medium-sized businesses, governmental entities, or nonprofit organizations. A business, governmental entity, or nonprofit organization that receives a loan under this subsection may:

(1) use the money for any project, activity, or enterprise in this state that fosters economic development; or

(2) hold the money in a reserve account created as a condition of the extension of the loan.

SECTION 2. Section 489.211(b), Government Code, is amended to read as follows:

1 (b) The product fund is composed of proceeds of bonds issued
2 under this subchapter, financing application fees, loan
3 repayments, guarantee fees, royalty receipts, dividend income,
4 money appropriated by the legislature for authorized purposes of
5 the product fund, amounts received by the state from loans, loan
6 guarantees, and equity investments made under this subchapter,
7 amounts received by the state from federal grants or other sources,
8 amounts transferred from the capital access fund under Section
9 481.415, and any other amounts received under this subchapter and
10 required by the bank to be deposited in the product fund. The
11 product fund contains a program account, an interest and sinking
12 account, and other accounts that the bank authorizes to be created
13 and maintained. Money in the product fund is available for use by
14 the board under this subchapter. Investment earnings under the
15 product fund must be transferred to the fund created under Section
16 489.105. Notwithstanding any other provision of this subchapter,
17 any money in the product fund may be used for debt service.

18 SECTION 3. Section 489.212(b), Government Code, is amended
19 to read as follows:

20 (b) The small business fund is composed of proceeds of bonds
21 issued under this subchapter, financing application fees, loan
22 repayments, guarantee fees, royalty receipts, dividend income,
23 money appropriated by the legislature for authorized purposes of
24 the small business fund, amounts received by the state from loans,
25 loan guarantees, and equity investments made under this subchapter,
26 amounts received by the state from federal grants or other sources,
27 amounts transferred from the capital access fund under Section

1 481.415, and any other amounts received under this subchapter and
2 required by the bank to be deposited in the small business fund.
3 The small business fund contains a project account, an interest and
4 sinking account, and other accounts that the bank authorizes to be
5 created and maintained. Money in the small business fund is
6 available for use by the board under this subchapter. Investment
7 earnings under the small business fund must be transferred to the
8 fund created under Section 489.105. Notwithstanding any other
9 provision of this subchapter, any money in the small business fund
10 may be used for debt service.

11 SECTION 4. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I certify that H.B. No. 3578 was passed by the House on May 2, 2013, by the following vote: Yeas 145, Nays 2, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3578 on May 24, 2013, by the following vote: Yeas 141, Nays 4, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3578 was passed by the Senate, with amendments, on May 22, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor