

1-1 By: J. Davis of Harris (Senate Sponsor - Hancock) H.B. No. 3578
 1-2 (In the Senate - Received from the House May 6, 2013;
 1-3 May 8, 2013, read first time and referred to Committee on Economic
 1-4 Development; May 16, 2013, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 5, Nays 0;
 1-6 May 16, 2013, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11			X	
1-12	X			
1-13	X			
1-14			X	
1-15	X			

1-16 COMMITTEE SUBSTITUTE FOR H.B. No. 3578 By: Hancock

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the allocation and transfer of money from the capital
 1-20 access fund by the Texas Economic Development Bank.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter BB, Chapter 481, Government Code, is
 1-23 amended by adding Section 481.415 to read as follows:

1-24 Sec. 481.415. ALLOCATION AND TRANSFER OF MONEY FROM CAPITAL
 1-25 ACCESS FUND. (a) Notwithstanding any other provision of this
 1-26 subchapter, the bank may allocate money held in or due to the
 1-27 capital access fund to programs administered by the bank under
 1-28 Section 489.108 or Subchapter D, Chapter 489. The bank may transfer
 1-29 money from the capital access fund to the Texas product development
 1-30 fund or the Texas small business incubator fund.

1-31 (b) Notwithstanding Subchapter D, Chapter 489, the bank may
 1-32 use money transferred under Subsection (a) to make loans to small or
 1-33 medium-sized businesses, governmental entities, or nonprofit
 1-34 organizations. A business, governmental entity, or nonprofit
 1-35 organization that receives a loan under this subsection may:

1-36 (1) use the money for any project, activity, or
 1-37 enterprise in this state that fosters economic development; or

1-38 (2) hold the money in a reserve account created as a
 1-39 condition of the extension of the loan.

1-40 SECTION 2. Section 489.211(b), Government Code, is amended
 1-41 to read as follows:

1-42 (b) The product fund is composed of proceeds of bonds issued
 1-43 under this subchapter, financing application fees, loan
 1-44 repayments, guarantee fees, royalty receipts, dividend income,
 1-45 money appropriated by the legislature for authorized purposes of
 1-46 the product fund, amounts received by the state from loans, loan
 1-47 guarantees, and equity investments made under this subchapter,
 1-48 amounts received by the state from federal grants or other sources,
 1-49 amounts transferred from the capital access fund under Section
 1-50 481.415, and any other amounts received under this subchapter and
 1-51 required by the bank to be deposited in the product fund. The
 1-52 product fund contains a program account, an interest and sinking
 1-53 account, and other accounts that the bank authorizes to be created
 1-54 and maintained. Money in the product fund is available for use by
 1-55 the board under this subchapter. Investment earnings under the
 1-56 product fund must be transferred to the fund created under Section
 1-57 489.105. Notwithstanding any other provision of this subchapter,
 1-58 any money in the product fund may be used for debt service.

1-59 SECTION 3. Section 489.212(b), Government Code, is amended
 1-60 to read as follows:

2-1 (b) The small business fund is composed of proceeds of bonds
 2-2 issued under this subchapter, financing application fees, loan
 2-3 repayments, guarantee fees, royalty receipts, dividend income,
 2-4 money appropriated by the legislature for authorized purposes of
 2-5 the small business fund, amounts received by the state from loans,
 2-6 loan guarantees, and equity investments made under this subchapter,
 2-7 amounts received by the state from federal grants or other sources,
 2-8 amounts transferred from the capital access fund under Section
 2-9 481.415, and any other amounts received under this subchapter and
 2-10 required by the bank to be deposited in the small business fund.
 2-11 The small business fund contains a project account, an interest and
 2-12 sinking account, and other accounts that the bank authorizes to be
 2-13 created and maintained. Money in the small business fund is
 2-14 available for use by the board under this subchapter. Investment
 2-15 earnings under the small business fund must be transferred to the
 2-16 fund created under Section 489.105. Notwithstanding any other
 2-17 provision of this subchapter, any money in the small business fund
 2-18 may be used for debt service.

2-19 SECTION 4. This Act takes effect September 1, 2013.

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