

By: Davis, West

S.B. No. 1496

A BILL TO BE ENTITLED

1 AN ACT

2 relating to use of the money from the Texas Enterprise Fund and the
3 Texas emerging technology fund to benefit certain historically
4 underutilized businesses.

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

6 SECTION 1. Section 481.078, Government Code, is amended by
7 adding Subsections (n) and (o) to read as follows:

8 (n) To encourage the development and location of
9 historically underutilized businesses in this state, the governor
10 shall consider making grants from the fund:

11 (1) to recipients that are historically underutilized
12 businesses in this state that commit to using the grants to create
13 additional jobs; or

14 (2) to recipients that are historically underutilized
15 businesses from outside the state that commit to relocate to this
16 state.

17 (o) For purposes of this section:

18 (1) "Historically underutilized business" means:

19 (A) a corporation formed for the purpose of
20 making a profit in which 51 percent or more of all classes of the
21 shares of stock or other equitable securities are owned by one or
22 more economically disadvantaged persons who have a proportionate
23 interest and actively participate in the corporation's control,
24 operation, and management;

1 (B) a sole proprietorship created for the purpose
2 of making a profit that is completely owned, operated, and
3 controlled by an economically disadvantaged person;

4 (C) a partnership formed for the purpose of
5 making a profit in which 51 percent or more of the assets and
6 interest in the partnership are owned by one or more economically
7 disadvantaged persons who have a proportionate interest and
8 actively participate in the partnership's control, operation, and
9 management; or

10 (D) a joint venture in which each entity in the
11 venture is a historically underutilized business, as determined
12 under another paragraph of this subdivision.

13 (2) "Economically disadvantaged person" has the
14 meaning assigned by Section 2161.001.

15 SECTION 2. Section 481.079(a), Government Code, is amended
16 to read as follows:

17 (a) Before the beginning of each regular session of the
18 legislature, the governor shall submit to the lieutenant governor,
19 the speaker of the house of representatives, and each other member
20 of the legislature a report on grants made under Section 481.078
21 that states:

22 (1) the number of direct jobs each recipient committed
23 to create in this state;

24 (2) the number of direct jobs each recipient created
25 in this state;

26 (3) the median wage of the jobs each recipient created
27 in this state;

1 (4) the amount of capital investment each recipient
2 committed to expend or allocate per project in this state;

3 (5) the amount of capital investment each recipient
4 expended or allocated per project in this state;

5 (6) the total amount of grants made to each recipient;

6 (7) the average amount of money granted in this state
7 for each job created in this state by grant recipients;

8 (8) the number of jobs created in this state by grant
9 recipients in each sector of the North American Industry
10 Classification System (NAICS); ~~and~~

11 (9) of the number of direct jobs each recipient
12 created in this state, the number of positions created that provide
13 health benefits for employees; and

14 (10) the total number of grant recipients that are
15 historically underutilized businesses and the total amount of
16 grants made to those recipients.

17 SECTION 3. Section 490.101, Government Code, is amended by
18 adding Subsections (j) and (k) to read as follows:

19 (j) To encourage the development and location of
20 historically underutilized businesses in this state, the governor
21 shall consider making awards from the fund:

22 (1) to recipients that are historically underutilized
23 businesses in this state that commit to using the awards to create
24 additional jobs; or

25 (2) to recipients that are historically underutilized
26 businesses from outside the state that commit to relocate to this
27 state.

1 (k) For purposes of this section:

2 (1) "Historically underutilized business" means:

3 (A) a corporation formed for the purpose of
4 making a profit in which 51 percent or more of all classes of the
5 shares of stock or other equitable securities are owned by one or
6 more economically disadvantaged persons who have a proportionate
7 interest and actively participate in the corporation's control,
8 operation, and management;

9 (B) a sole proprietorship created for the purpose
10 of making a profit that is completely owned, operated, and
11 controlled by an economically disadvantaged person;

12 (C) a partnership formed for the purpose of
13 making a profit in which 51 percent or more of the assets and
14 interest in the partnership are owned by one or more economically
15 disadvantaged persons who have a proportionate interest and
16 actively participate in the partnership's control, operation, and
17 management; or

18 (D) a joint venture in which each entity in the
19 venture is a historically underutilized business, as determined
20 under another paragraph of this subdivision.

21 (2) "Economically disadvantaged person" has the
22 meaning assigned by Section 2161.001.

23 SECTION 4. Section 490.005(b), Government Code, is amended
24 to read as follows:

25 (b) The annual report must also contain:

26 (1) the total number of jobs actually created by each
27 project receiving funding under this chapter;

1 (2) an analysis of the number of jobs actually created
2 by each project receiving funding under this chapter; ~~and~~

3 (3) a brief description regarding:

4 (A) the methodology used to determine the
5 information provided under Subdivisions (1) and (2), which may be
6 developed in consultation with the comptroller's office;

7 (B) the intended outcomes of projects funded
8 under Subchapter D during each preceding state fiscal year; and

9 (C) the actual outcomes of all projects funded
10 under Subchapter D during each preceding state fiscal year,
11 including any financial impact on the state resulting from a
12 liquidity event involving a company whose project was funded under
13 that subchapter; and

14 (4) the total number of recipients of awards from the
15 fund that are historically underutilized businesses and the total
16 amount of awards made to those recipients.

17 SECTION 5. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2013.