

1-1 By: Davis, West S.B. No. 1496
 1-2 (In the Senate - Filed March 7, 2013; March 18, 2013, read
 1-3 first time and referred to Committee on Economic Development;
 1-4 April 11, 2013, reported favorably by the following vote: Yeas 4,
 1-5 Nays 1; April 11, 2013, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Deuell	X			
1-8 Hancock			X	
1-9 Birdwell		X		
1-10 Davis	X			
1-11 Eltife	X			
1-12 Fraser			X	
1-13 Watson	X			

1-15 A BILL TO BE ENTITLED
 1-16 AN ACT

1-17 relating to use of the money from the Texas Enterprise Fund and the
 1-18 Texas emerging technology fund to benefit certain historically
 1-19 underutilized businesses.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Section 481.078, Government Code, is amended by
 1-22 adding Subsections (n) and (o) to read as follows:

1-23 (n) To encourage the development and location of
 1-24 historically underutilized businesses in this state, the governor
 1-25 shall consider making grants from the fund:

1-26 (1) to recipients that are historically underutilized
 1-27 businesses in this state that commit to using the grants to create
 1-28 additional jobs; or

1-29 (2) to recipients that are historically underutilized
 1-30 businesses from outside the state that commit to relocate to this
 1-31 state.

1-32 (o) For purposes of this section:

1-33 (1) "Historically underutilized business" means:

1-34 (A) a corporation formed for the purpose of
 1-35 making a profit in which 51 percent or more of all classes of the
 1-36 shares of stock or other equitable securities are owned by one or
 1-37 more economically disadvantaged persons who have a proportionate
 1-38 interest and actively participate in the corporation's control,
 1-39 operation, and management;

1-40 (B) a sole proprietorship created for the purpose
 1-41 of making a profit that is completely owned, operated, and
 1-42 controlled by an economically disadvantaged person;

1-43 (C) a partnership formed for the purpose of
 1-44 making a profit in which 51 percent or more of the assets and
 1-45 interest in the partnership are owned by one or more economically
 1-46 disadvantaged persons who have a proportionate interest and
 1-47 actively participate in the partnership's control, operation, and
 1-48 management; or

1-49 (D) a joint venture in which each entity in the
 1-50 venture is a historically underutilized business, as determined
 1-51 under another paragraph of this subdivision.

1-52 (2) "Economically disadvantaged person" has the
 1-53 meaning assigned by Section 2161.001.

1-54 SECTION 2. Subsection (a), Section 481.079, Government
 1-55 Code, is amended to read as follows:

1-56 (a) Before the beginning of each regular session of the
 1-57 legislature, the governor shall submit to the lieutenant governor,
 1-58 the speaker of the house of representatives, and each other member
 1-59 of the legislature a report on grants made under Section 481.078
 1-60 that states:

1-61 (1) the number of direct jobs each recipient committed

2-1 to create in this state;

2-2 (2) the number of direct jobs each recipient created

2-3 in this state;

2-4 (3) the median wage of the jobs each recipient created

2-5 in this state;

2-6 (4) the amount of capital investment each recipient

2-7 committed to expend or allocate per project in this state;

2-8 (5) the amount of capital investment each recipient

2-9 expended or allocated per project in this state;

2-10 (6) the total amount of grants made to each recipient;

2-11 (7) the average amount of money granted in this state

2-12 for each job created in this state by grant recipients;

2-13 (8) the number of jobs created in this state by grant

2-14 recipients in each sector of the North American Industry

2-15 Classification System (NAICS); ~~and~~

2-16 (9) of the number of direct jobs each recipient

2-17 created in this state, the number of positions created that provide

2-18 health benefits for employees; and

2-19 (10) the total number of grant recipients that are

2-20 historically underutilized businesses and the total amount of

2-21 grants made to those recipients.

2-22 SECTION 3. Section 490.101, Government Code, is amended by

2-23 adding Subsections (j) and (k) to read as follows:

2-24 (j) To encourage the development and location of

2-25 historically underutilized businesses in this state, the governor

2-26 shall consider making awards from the fund:

2-27 (1) to recipients that are historically underutilized

2-28 businesses in this state that commit to using the awards to create

2-29 additional jobs; or

2-30 (2) to recipients that are historically underutilized

2-31 businesses from outside the state that commit to relocate to this

2-32 state.

2-33 (k) For purposes of this section:

2-34 (1) "Historically underutilized business" means:

2-35 (A) a corporation formed for the purpose of

2-36 making a profit in which 51 percent or more of all classes of the

2-37 shares of stock or other equitable securities are owned by one or

2-38 more economically disadvantaged persons who have a proportionate

2-39 interest and actively participate in the corporation's control,

2-40 operation, and management;

2-41 (B) a sole proprietorship created for the purpose

2-42 of making a profit that is completely owned, operated, and

2-43 controlled by an economically disadvantaged person;

2-44 (C) a partnership formed for the purpose of

2-45 making a profit in which 51 percent or more of the assets and

2-46 interest in the partnership are owned by one or more economically

2-47 disadvantaged persons who have a proportionate interest and

2-48 actively participate in the partnership's control, operation, and

2-49 management; or

2-50 (D) a joint venture in which each entity in the

2-51 venture is a historically underutilized business, as determined

2-52 under another paragraph of this subdivision.

2-53 (2) "Economically disadvantaged person" has the

2-54 meaning assigned by Section 2161.001.

2-55 SECTION 4. Subsection (b), Section 490.005, Government

2-56 Code, is amended to read as follows:

2-57 (b) The annual report must also contain:

2-58 (1) the total number of jobs actually created by each

2-59 project receiving funding under this chapter;

2-60 (2) an analysis of the number of jobs actually created

2-61 by each project receiving funding under this chapter; ~~and~~

2-62 (3) a brief description regarding:

2-63 (A) the methodology used to determine the

2-64 information provided under Subdivisions (1) and (2), which may be

2-65 developed in consultation with the comptroller's office;

2-66 (B) the intended outcomes of projects funded

2-67 under Subchapter D during each preceding state fiscal year; and

2-68 (C) the actual outcomes of all projects funded

2-69 under Subchapter D during each preceding state fiscal year,

3-1 including any financial impact on the state resulting from a
3-2 liquidity event involving a company whose project was funded under
3-3 that subchapter; and
3-4 (4) the total number of recipients of awards from the
3-5 fund that are historically underutilized businesses and the total
3-6 amount of awards made to those recipients.
3-7 SECTION 5. This Act takes effect immediately if it receives
3-8 a vote of two-thirds of all the members elected to each house, as
3-9 provided by Section 39, Article III, Texas Constitution. If this
3-10 Act does not receive the vote necessary for immediate effect, this
3-11 Act takes effect September 1, 2013.

3-12

* * * * *