

By: Springer

H.B. No. 3544

A BILL TO BE ENTITLED

AN ACT

relating to the Texas Enterprise Fund.

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

SECTION 1. Section 481.078, Government Code, is amended by amending Subsection (f) and adding Subsections (m), (n), (o), and (p) to read as follows:

(f) Before awarding a grant under this section, the governor shall enter into a written agreement with the entity to be awarded the grant money specifying that:

(1) if the governor finds that the grant recipient has not met each of the performance targets specified in the agreement as of a date certain provided in the agreement:

(A) the recipient shall repay the full amount of the grant and any related interest to the state at the agreed rate ~~[and on the agreed terms];~~

(B) the governor will not distribute to the recipient any grant money that remains to be awarded under the agreement; and

(C) the governor may assess specified penalties for noncompliance against the recipient;

(2) if all or any portion of the amount of the grant is used to build a capital improvement, the state may:

(A) retain a lien or other interest in the capital improvement in proportion to the percentage of the grant

1 amount used to pay for the capital improvement; and

2 (B) require the recipient of the grant, if the
3 capital improvement is sold, to:

4 (i) repay to the state the grant money used
5 to pay for the capital improvement, with interest at the rate and
6 according to the other terms provided by the agreement; and

7 (ii) share with the state a proportionate
8 amount of any profit realized from the sale; and

9 (3) if, as of a date certain provided in the agreement,
10 the grant recipient has not used grant money awarded under this
11 section for the purposes for which the grant was intended, the
12 recipient shall repay that amount and any related interest to the
13 state at the agreed rate [~~and on the agreed terms~~].

14 (m) In a calendar year at least 25 percent of the grant
15 agreements entered into must contain a provision that requires all
16 of the jobs created under the agreement to be created in a county
17 that has:

18 (1) a population of less than 250,000;

19 (2) a family income that is in the lower 3 quartiles of
20 family income for the state as determined by the United States
21 Department of Housing and Urban Development;

22 (3) and target and promote appropriate sized companies
23 of approximately 25 to 200 employees that would benefit counties of
24 under 250,000.

25 (n) The governor may not award a grant to a business that
26 intends to use grant money for the development or establishment of a
27 retail business that would be in direct competition with an

1 existing business in this state and would have a negative impact on
2 the existing business.

3 (o) Before August 31, 2024, the Sunset Advisory Commission
4 shall conduct an extensive review of the Texas Enterprise Fund
5 program that is similar to the review of an agency under Chapter 325
6 (Texas Sunset Act). The commission shall make recommendations on
7 the abolition or continuation of the program in a report submitted
8 to the governor and the legislature on or before August 31, 2024.

9 (p) This section and Sections 481.079 and 481.080 expire
10 September 1, 2025.

11 SECTION 2. Subchapter E, Chapter 481, Government Code, is
12 amended by adding Section 481.081 to read as follows:

13 Sec. 481.081. APPLICATION FOR CERTAIN GRANTS. (a) The
14 office shall develop a streamlined application and review process
15 for a request for a grant of less than \$5 million under Section
16 481.078.

17 (b) The application may not be more than four pages long.

18 SECTION 3. Sections 481.078(f-2) and (j), Government Code,
19 are repealed.

20 SECTION 4. The changes in law made by this Act apply only to
21 an application for a grant filed on or after the effective date of
22 this Act. An application for a grant that is filed before the
23 effective date of this Act is governed by the law in effect on the
24 date the application was filed, and the former law is continued in
25 effect for that purpose.

26 SECTION 5. Section 481.078(m), Government Code, as added by
27 this Act, applies only in a calendar year that begins after the

1 effective date of this Act.

2 SECTION 6. This Act takes effect September 1, 2015.