

By: Johnson

H.B. No. 3560

A BILL TO BE ENTITLED

AN ACT

relating to transferring a certain percentage of the Texas Enterprise Fund to the capital access fund.

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

SECTION 1. Section 481.078, Government Code, is amended by adding Subsection (n) to read as follows:

(n) Notwithstanding any other section of this subchapter, the following amounts shall be transferred from the Texas Enterprise Fund to the capital access fund under Subchapter BB:

(1) for the state fiscal biennium beginning September 1, 2016, ten percent of the remaining unencumbered balance of the Texas Enterprise Fund as of September 2, 2016; and

(2) for each subsequent state fiscal biennium in which ten percent of the remaining unencumbered balance of the Texas Enterprise Fund as of the second day of the state fiscal biennium is greater than the sum of the amount in the capital access fund plus the amount of contributions made by the bank into reserve accounts under Subchapter BB, an amount equivalent to the difference between ten percent of the remaining unencumbered balance of the Texas Enterprise Fund and the sum of the amount in the capital access fund plus the amount of contributions made by the bank into reserve accounts under Subchapter BB.

SECTION 2. Section 481.405, Government Code, is amended by adding Subsection (c-1) to read as follows:

1 (c-1) For the purposes of determining the eligibility of a
2 financial institution to participate in the program under
3 subsection (c), the bank shall use a methodology that prioritizes
4 financial institutions located in areas designated as enterprise
5 zones under Chapter 2303, Government Code.

6 SECTION 3. Section 481.404, Government Code, is amended to
7 read as follows:

8 Sec. 481.404. POWERS OF BANK IN ADMINISTERING CAPITAL
9 ACCESS FUND. (a) In administering the fund, the bank has the powers
10 necessary to carry out the purposes of this subchapter, including
11 the power to:

12 (1) make, execute, and deliver contracts,
13 conveyances, and other instruments necessary to the exercise of its
14 powers;

15 (2) invest money at the bank's discretion in
16 obligations determined proper by the bank, and select and use
17 depositories for its money;

18 (3) employ personnel and counsel and pay the persons
19 from money in the fund legally available for that purpose; and

20 (4) impose and collect fees and charges in connection
21 with any transaction and provide for reasonable penalties for
22 delinquent payment of fees or charges.

23 (b) The bank may not transfer money out of the capital
24 access fund except to carry out the purposes of this subchapter.

25 SECTION 4. Section 481.415, Government Code, is repealed.

26 SECTION 5. Section 489.211(b), Government Code, is amended
27 to read as follows:

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

SECTION 6. Section 489.212(b), Government Code, is amended to read as follows:

(b) The small business fund is composed of proceeds of bonds issued under this subchapter, financing application fees, loan repayments, guarantee fees, royalty receipts, dividend income, money appropriated by the legislature for authorized purposes of the small business fund, amounts received by the state from loans, loan guarantees, and equity investments made under this subchapter, amounts received by the state from federal grants or other sources, ~~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. The
3 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 7. This Act takes effect September 1, 2015.