

1-1 By: Anderson of McLennan (Senate Sponsor - Perry) H.B. No. 2004  
 1-2 (In the Senate - Received from the House May 8, 2017;  
 1-3 May 10, 2017, read first time and referred to Committee on  
 1-4 Agriculture, Water & Rural Affairs; May 19, 2017, reported  
 1-5 adversely, with favorable Committee Substitute by the following  
 1-6 vote: Yeas 5, Nays 0; May 19, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Perry	X			
1-9 Rodríguez	X			
1-10 Creighton			X	
1-11 Hall	X			
1-12 Hinojosa	X			
1-13 Kolkhorst			X	
1-14 Miles	X			

1-16 COMMITTEE SUBSTITUTE FOR H.B. No. 2004 By: Perry

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

1-19 relating to the Texas economic development fund for the Department  
 1-20 of Agriculture.

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

1-22 SECTION 1. Sections 12.0272(a) and (b), Agriculture Code,  
 1-23 are amended to read as follows:

1-24 (a) The Texas economic development fund is a fund in the  
 1-25 state treasury. The fund consists of:

1-26 (1) all interest, income, revenue, and other assets  
 1-27 associated with economic development programs established using  
 1-28 money allocated and paid to the department under the August 15,  
 1-29 2011, allocation agreement between the department and the United  
 1-30 States Department of the Treasury, as amended, to implement the  
 1-31 State Small Business Credit Initiative Act of 2010 (12 U.S.C.  
 1-32 Section 5701 et seq.);

1-33 (2) all money, deposits, distributions, dividends,  
 1-34 earnings, gain, income, interest, proceeds, profits, program  
 1-35 income, rents, returns of capital, returns on investments,  
 1-36 royalties, revenue, or yields received or realized by the  
 1-37 department as a result of an investment made by or on behalf of the  
 1-38 department pursuant to the August 15, 2011, allocation agreement  
 1-39 between the department and the United States Department of the  
 1-40 Treasury, as amended;

1-41 (3) gifts, loans, donations, aid, appropriations,  
 1-42 guaranties, allocations, subsidies, grants, or contributions  
 1-43 received under Sections 12.022 and ~~[Section]~~ 12.027(g);

1-44 (4) interest and income earned on the investment of  
 1-45 money in the fund; and

1-46 (5) other money required by law to be deposited in the  
 1-47 fund.

1-48 (b) Money in the Texas economic development fund is  
 1-49 dedicated to and may be appropriated only to the department for the  
 1-50 purposes ~~[purpose]~~ of administering, continuing ~~[establishing]~~,  
 1-51 implementing, or maintaining:

1-52 (1) an economic development program originally  
 1-53 established as part of the department's implementation of the State  
 1-54 Small Business Credit Initiative; and

1-55 (2) ~~[under this section and is dedicated to and may be~~  
 1-56 ~~used only for the administration, establishment, implementation,~~  
 1-57 ~~or maintenance of]~~ one or more of the department's economic  
 1-58 development programs:

1-59 (A) established to encourage the export of Texas  
 1-60 agricultural products or products manufactured in rural Texas; or

2-1 (B) established through an agreement with a  
2-2 federal agency, foreign governmental entity, local governmental  
2-3 entity, nonprofit organization, private entity, public university,  
2-4 or state governmental entity to encourage rural economic  
2-5 development in this state.

2-6 SECTION 2. Chapter 12, Agriculture Code, is amended by  
2-7 adding Section 12.0273 to read as follows:

2-8 Sec. 12.0273. LIMITATIONS ON LOANS AND GRANTS FROM TEXAS  
2-9 ECONOMIC DEVELOPMENT FUND. (a) The department may use money in the  
2-10 Texas economic development fund only to make loans and grants in the  
2-11 manner provided by this section for the purposes provided by  
2-12 Section 12.0272(b).

2-13 (b) The recipient of a grant using money from the fund must  
2-14 provide matching funds in an amount equal to 25 percent of the  
2-15 amount of the grant.

2-16 (c) The term of a loan made using money from the fund may not  
2-17 exceed 20 years. A loan must require monthly payments of principal  
2-18 and interest beginning not later than the 90th day after the date  
2-19 the loan is made.

2-20 (d) The department shall administer the fund as a perpetual  
2-21 source of financing for loans and grants under this section. The  
2-22 department shall use payments of principal and interest to make  
2-23 additional loans and grants.

2-24 (e) The cumulative amount of loans and grants to any person  
2-25 using money from the fund may not exceed \$1 million.

2-26 (f) The department shall retain in the fund in the state  
2-27 treasury an amount of money equal to at least 25 percent of the  
2-28 amount of money in the fund on January 1, 2017.

2-29 (g) Not later than December 1 of each even-numbered year,  
2-30 the department shall submit a report on the status of the fund,  
2-31 including loans and grants made using money from the fund, to the  
2-32 governor, lieutenant governor, speaker of the house of  
2-33 representatives, and chairs of the house and senate committees with  
2-34 primary jurisdiction over the department.

2-35 SECTION 3. This Act takes effect immediately if it receives  
2-36 a vote of two-thirds of all the members elected to each house, as  
2-37 provided by Section 39, Article III, Texas Constitution. If this  
2-38 Act does not receive the vote necessary for immediate effect, this  
2-39 Act takes effect September 1, 2017.

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