

By: Lozano

H.B. No. 2362

A BILL TO BE ENTITLED

AN ACT

relating to creating a fund to provide grants to certain local entities in areas of the state affected by decreased oil and gas production for economic development and diversification projects.

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

SECTION 1. Subchapter F, Chapter 401, Government Code, is amended by adding Section 401.107 to read as follows:

Sec. 401.107. FUND FOR AREAS ECONOMICALLY IMPACTED BY DECREASED OIL AND GAS PRODUCTION. (a) In this section, "fund" means the oil and gas downturn assistance fund.

(b) The oil and gas downturn assistance fund is an account in the general revenue fund created to provide grants for the purpose of economic development and diversification in eligible municipalities, counties, and school districts, as provided in Subsection (e). The fund consists of excess general revenue transferred to the fund as provided in Subsection (c).

(c) If the total available general revenue available for a state fiscal biennium at the end of the fiscal biennium exceeds the amount of the total available general revenue stated in the comptroller's biennial revenue estimate for that fiscal biennium, the comptroller shall transfer any excess general revenue to the credit of the fund.

(d) The fund is administered by the governor. The governor shall adopt rules necessary to administer the fund, including rules

1 relating to:

2 (1) the grant application process; and

3 (2) the method by which grants will be awarded if the
4 amount of grants for which eligible municipalities, counties, and
5 school districts have applied exceeds the available balance in the
6 fund.

7 (e) A municipality, county, or school district is eligible
8 for a grant from the fund if, for the tax year in which the state
9 fiscal biennium for which a grant under this section is sought
10 begins, the appraised value of property for ad valorem tax purposes
11 in the municipality, county, or school district has decreased by 20
12 percent or more from the appraised value for the tax year in which
13 the preceding fiscal biennium began. For purposes of this section,
14 the appraised value of property is the taxable value of property
15 certified under Section 26.01, Tax Code.

16 SECTION 2. This Act takes effect September 1, 2017.