

By: Miles

S.B. No. 795

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to use of the money from the Texas Enterprise Fund to  
3 benefit certain historically underutilized businesses.

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

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

7 (m) To encourage the development and location of  
8 historically underutilized businesses in this state, the governor  
9 shall make grants from the fund:

10 (1) to recipients that are historically underutilized  
11 businesses in this state that commit to using the grants to create  
12 additional jobs; or

13 (2) to recipients that are historically underutilized  
14 businesses from outside the state that commit to relocate to this  
15 state.

16 (n) The governor shall ensure, to the extent there are a  
17 sufficient number of qualified applicants described by Subsection  
18 (m), that the percentage of the total dollar amount of grants  
19 awarded each state fiscal year to recipients described by that  
20 subsection is not less than the percentage of the total dollar  
21 amount of contracts awarded by state agencies to historically  
22 underutilized businesses, as defined by Section 2161.001, during  
23 the applicable state fiscal year as reported by the comptroller in  
24 the consolidated report required under Section 2161.121.

1           (o) For purposes of this section:

2                   (1) "Historically underutilized business" means:

3                           (A) a corporation formed for the purpose of  
4 making a profit in which 51 percent or more of all classes of the  
5 shares of stock or other equitable securities are owned by one or  
6 more economically disadvantaged persons who have a proportionate  
7 interest and actively participate in the corporation's control,  
8 operation, and management;

9                           (B) a sole proprietorship created for the purpose  
10 of making a profit that is completely owned, operated, and  
11 controlled by an economically disadvantaged person;

12                           (C) a partnership formed for the purpose of  
13 making a profit in which 51 percent or more of the assets and  
14 interest in the partnership are owned by one or more economically  
15 disadvantaged persons who have a proportionate interest and  
16 actively participate in the partnership's control, operation, and  
17 management; or

18                           (D) a joint venture in which each entity in the  
19 venture is a historically underutilized business, as determined  
20 under another paragraph of this subdivision.

21                   (2) "Economically disadvantaged person" has the  
22 meaning assigned by Section [2161.001](#).

23           SECTION 2. This Act takes effect immediately if it receives  
24 a vote of two-thirds of all the members elected to each house, as  
25 provided by Section [39](#), Article III, Texas Constitution. If this  
26 Act does not receive the vote necessary for immediate effect, this  
27 Act takes effect September 1, 2017.