

Amend SB 132 (house committee printing) as follows:

(1) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Subtitle F, Title 4, Government Code, is amended by adding Chapter 487A to read as follows:

CHAPTER 487A. RURAL AND OPPORTUNITY FUNDS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 487A.0001. GENERAL DEFINITIONS. In this chapter:

(1) "Closing date" means the date a rural and opportunity fund has collected all of the amounts described by Section 487A.0056(a)(1).

(2) "Growth investment" means any capital or equity investment by a rural and opportunity fund in a targeted small business or any loan by a rural and opportunity fund to a targeted small business with a stated maturity date of at least one year after the date of issuance.

(3) "Office" means the Texas Economic Development and Tourism Office.

(4) "Qualified area" means:

(A) an area:

(i) other than a municipality with a population of more than 50,000 or an urbanized area contiguous and adjacent to the municipality; or

(ii) determined to be rural in character by the United States under secretary of agriculture for rural development or the successor in function to that position; or

(B) a qualified opportunity zone as defined by Section 1400Z-1, Internal Revenue Code of 1986.

(5) "Rural and opportunity fund" means an entity approved by the office as a rural and opportunity fund.

Sec. 487A.0002. DEFINITION: AFFILIATE. (a) In this chapter, "affiliate" means an entity that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another entity.

(b) For purposes of Subsection (a), an entity is controlled by another entity if the controlling entity:

(1) holds, directly or indirectly, the majority voting

or ownership interest in the controlled entity; or

(2) has control over the day-to-day operations of the controlled entity by contract or by law.

Sec. 487A.0003. DEFINITION: CREDIT-ELIGIBLE CAPITAL CONTRIBUTION. (a) In this chapter and subject to Subsection (b), "credit-eligible capital contribution" means an investment of cash that equals the amount specified on a tax credit certificate issued by the office under Section 487A.0055(b) made by an entity that is subject to state premium tax liability, as defined by Section 232.0001, Insurance Code.

(b) An investment made by an entity qualifies as a credit-eligible capital contribution only if the entity making the investment receives in exchange for the investment:

(1) an equity interest in the rural and opportunity fund; or

(2) at par value or premium, a debt instrument that has a maturity date of at least five years from the closing date and a repayment schedule that is no faster than level principal amortization over five years.

Sec. 487A.0004. DEFINITION: INVESTMENT AUTHORITY. (a) In this chapter, "investment authority" means the amount stated on the notice issued under Section 487A.0055(a) approving the rural and opportunity fund.

(b) At least 65 percent of a rural and opportunity fund's investment authority must consist of credit-eligible capital contributions.

Sec. 487A.0005. DEFINITION: JOBS CREATED. (a) In this chapter, "jobs created" means, with respect to a targeted small business, employment positions that are created by the targeted small business, are located in this state, require at least 35 hours of work each week, and were not located in this state at the time of the initial growth investment in the targeted small business.

(b) The number of jobs created by a targeted small business is calculated each year by subtracting the number of employment positions in this state at the targeted small business at the time of the initial growth investment in the targeted small business from the monthly average of those employment positions for that

year. If the number calculated under this subsection is less than zero, the number shall be reported as zero.

(c) The monthly average of employment positions for a year is calculated by adding together the number of employment positions existing on the last day of each month of the year and dividing by 12.

Sec. 487A.0006. DEFINITION: JOBS RETAINED. (a) In this chapter, "jobs retained" means, with respect to a targeted small business, employment positions:

(1) located in this state requiring at least 35 hours of work each week that existed before the initial growth investment in the targeted small business; and

(2) that would have been lost or moved out of this state had a growth investment in the targeted small business not been made, as certified in writing by an executive officer of the targeted small business to the rural and opportunity fund.

(b) The number of jobs retained by a targeted small business is calculated each year based on the monthly average of employment positions for that year.

(c) The monthly average of employment positions for a year is calculated by adding together the number of employment positions existing on the last day of each month of the year and dividing by 12.

(d) The reported number of jobs retained for a year may not exceed the number reported on the initial report under Section 487A.0155. The rural and opportunity fund shall reduce the number of jobs retained for a year if employment at the targeted small business drops below the number reported on the initial report.

Sec. 487A.0007. DEFINITION: TARGETED SMALL BUSINESS. (a) In this chapter, "targeted small business" means a business that, at the time of the initial growth investment in the business:

(1) had fewer than 250 employees, including any persons who would be considered employees under the federal law to which 13 C.F.R. Section 121.103(h)(4) applies as a result of the application of that provision; and

(2) has its principal business operations located in one or more qualified areas in this state.

(b) For purposes of Subsection (a)(2), the principal business operations of a business are located at a place where:

(1) at least 80 percent of the business's employees work; or

(2) employees who are paid at least 80 percent of the business's payroll work.

(c) An out-of-state business that agrees to relocate or hire new employees using the proceeds of a growth investment to establish principal business operations in a qualified area in this state qualifies as a targeted small business if the business satisfies the requirements of:

(1) Subsection (a)(1) at the time of the initial growth investment in the business; and

(2) Subsection (a)(2) not later than the 180th day after receiving the initial growth investment or a later date agreed to by the office.

Sec. 487A.0008. RULES. The office shall adopt rules necessary to implement this chapter.

SUBCHAPTER B. APPROVAL OF RURAL AND OPPORTUNITY FUNDS

Sec. 487A.0051. APPLICATION. (a) Subject to Section 487A.0202, the office shall accept applications from entities seeking approval as rural and opportunity funds.

(b) An application must include:

(1) the total investment authority sought by the applicant under the applicant's business plan;

(2) evidence sufficient to prove to the office's satisfaction that, as of the date the applicant submits the application:

(A) the applicant or affiliates of the applicant have invested, in the aggregate, at least \$100 million in nonpublic companies located in:

(i) an area described by Section 487A.0001(4)(A), regardless of whether the area is located inside or outside this state; or

(ii) a census tract designated as a qualified opportunity zone in accordance with Section 1400Z-1, Internal Revenue Code of 1986, regardless of when the designation

is made and regardless of whether the census tract is located inside or outside this state; and

(B) at least one principal in a rural business investment company licensed under 7 U.S.C. Section 2009cc et seq. or a small business investment company licensed under 15 U.S.C. Section 681 is, and has been for at least four years, an officer or employee of the applicant or of an affiliate of the applicant on the date the application is submitted;

(3) a copy of the rural business investment company license or small business investment company license described by Subdivision (2)(B);

(4) an estimate of the number of jobs created and jobs retained as a result of the applicant's growth investments;

(5) a business plan that includes a revenue impact assessment that:

(A) projects state and local tax revenue to be generated by the applicant's proposed growth investments; and

(B) is prepared by a nationally recognized third party independent economic forecasting firm using a dynamic economic forecasting model that analyzes the applicant's business plan for the 10-year period following the closing date;

(6) a signed affidavit from each committed investor stating the amount of credit-eligible capital contributions the investor commits to making; and

(7) a nonrefundable application fee of \$5,000.

Sec. 487A.0052. DECISION ON APPLICATION. (a) The office shall make a determination on each application not later than the 30th day after the date the office receives the application. The office shall make application determinations in the order in which applications are received and shall consider applications received on the same day to be received simultaneously.

(b) The office may approve investment authority under this chapter in amounts that would allow not more than \$35 million in tax credits to be claimed under Section 232.0053, Insurance Code, in any calendar year, excluding any credit carryforwards under Section 232.0054, Insurance Code.

(c) If a request for investment authority exceeds the

limitation under Subsection (b), the office shall reduce the investment authority and the credit-eligible capital contributions for that application as necessary to avoid exceeding the limit. If multiple applications received on the same day request a combined investment authority that exceeds the limit under Subsection (b), the office shall proportionally reduce the investment authority and the credit-eligible capital contributions for those applications as necessary to avoid exceeding the limit. The office may not reduce an applicant's investment authority for any reason other than as authorized by this subsection.

Sec. 487A.0053. GROUNDS FOR DENIAL. The office may deny an application under this subchapter only if:

(1) the application is incomplete or the application fee is not paid in full;

(2) the applicant fails to satisfy the requirements of Section 487A.0051(b)(2);

(3) the revenue impact assessment submitted under Section 487A.0051(b)(5) does not demonstrate that the applicant's business plan will result in a positive economic impact on combined state and local revenue during the 10-year period covered by the assessment that exceeds the cumulative amount of tax credits that would be issued to the applicant's investors under Chapter 232, Insurance Code, if the application were approved;

(4) the credit-eligible capital contributions described in affidavits submitted under Section 487A.0051(b)(6) do not equal at least 65 percent of the total amount of investment authority sought under the applicant's business plan; or

(5) the office has already approved the maximum amount of investment authority allowed under Section 487A.0052(b).

Sec. 487A.0054. SUBMISSION OF ADDITIONAL INFORMATION FOLLOWING DENIAL. (a) If the office denies an application the applicant may, not later than the 15th day after the date the office provides notice of denial, provide additional information to the office to complete, clarify, or cure defects in the application identified by the office.

(b) If the applicant completes, clarifies, or cures the defects in its application during the period prescribed by

Subsection (a), the application is considered complete as of the original submission date.

(c) If the applicant fails to complete, clarify, or cure the defects in its application during the period prescribed by Subsection (a), the application is finally denied. An applicant who wishes to reapply must resubmit an application in full with a new submission date.

(d) The office shall review and reconsider an application described by Subsection (a) for which the applicant provides additional information not later than the 30th day after the date the applicant provides the information. The office shall consider that application before any pending applications submitted after the date that application was originally submitted.

(e) This section does not apply to an application denied as a result of the applicant's failure to submit with the application affidavits required by Section 487A.0051(b)(6).

Sec. 487A.0055. NOTICE OF APPROVAL; ISSUANCE OF TAX CREDIT CERTIFICATES. (a) On approval of an application, the office shall provide written notice to the applicant of the applicant's approval as a rural and opportunity fund, including the amount of the fund's investment authority.

(b) After the rural and opportunity fund collects the credit-eligible capital contribution from each investor under Section 487A.0056(a)(1)(A), the office shall issue a tax credit certificate to each investor and include on the certificate the amount of the investor's credit-eligible capital contribution.

Sec. 487A.0056. DUTIES OF FUND FOLLOWING APPROVAL. (a) A rural and opportunity fund shall:

(1) not later than the 60th day after the date the fund receives the approval notice under Section 487A.0055(a):

(A) collect the credit-eligible capital contribution from each investor whose affidavit was included in the application under Section 487A.0051(b)(6); and

(B) subject to Subsection (b), collect one or more investments of cash that, when added to the contributions collected under Paragraph (A), equal the fund's investment authority; and

(2) not later than the 65th day after the date the fund receives the approval notice under Section 487A.0055(a), send to the office documentation sufficient to prove that the fund has collected the amounts described in Subdivision (1).

(b) At least 10 percent of the rural and opportunity fund's investment authority must consist of equity investments contributed directly or indirectly by affiliates of the fund, including employees, officers, and directors of those affiliates.

Sec. 487A.0057. LAPSE OF APPROVAL. (a) If a rural and opportunity fund fails to comply with the requirements of Section 487A.0056, the fund's approval lapses and the corresponding investment authority described by Section 487A.0056(a)(1) does not count toward the limit prescribed by Section 487A.0052(b).

(b) The office shall first award lapsed investment authority pro rata to each rural and opportunity fund whose requested investment authority was reduced under Section 487A.0052(c). The rural and opportunity fund may allocate the investment authority awarded under this subsection to the fund's investors in the fund's discretion. The office may award any remaining investment authority to new applicants.

Sec. 487A.0058. DISPOSITION OF APPLICATION FEES. Application fees submitted to the office under Section 487A.0051(b)(7) shall be deposited to the credit of the general revenue fund and may be appropriated only to the office for the purpose of administering this chapter.

SUBCHAPTER C. REVOCATION OF TAX CREDIT CERTIFICATE

Sec. 487A.0101. GROUNDS FOR REVOCATION. (a) The office shall revoke a tax credit certificate issued under Subchapter B in connection with an investment in a rural and opportunity fund if, before the fund exits the program under Section 487A.0151, the fund:

(1) subject to Subsection (b), fails to invest at least 60 percent of the fund's investment authority in growth investments in this state on or before the second anniversary of the closing date and 100 percent of the fund's investment authority in growth investments in this state on or before the third anniversary of the closing date;

(2) subject to Subsection (c) and after making the investments necessary to avoid revocation under Subdivision (1), fails to maintain growth investments equal to 100 percent of the fund's investment authority until the sixth anniversary of the closing date;

(3) makes a distribution or payment that results in the fund having less than 100 percent of its investment authority:

(A) invested in growth investments in this state;

or

(B) available for investment in growth investments and held in:

(i) cash;

(ii) United States Treasury securities;

(iii) bonds or notes issued by this state or an agency or political subdivision of this state; or

(iv) a deposit account with a depository institution headquartered or chartered in this state; or

(4) subject to Subsection (d), makes a growth investment in a targeted small business that directly or indirectly through an affiliate owns, has the right to acquire an ownership interest in, makes a loan to, or makes an investment in the fund, an affiliate of the fund, or an investor in the fund.

(b) For purposes of Subsection (a)(1):

(1) the amount of growth investments that a rural and opportunity fund may count with respect to a particular targeted small business, including any amount invested in an affiliate of the targeted small business, may not exceed:

(A) \$3 million for the initial growth investment and during the six months after the initial growth investment is made; or

(B) a total of \$5 million; and

(2) at least 85 percent of the required investments must be growth investments in targeted small businesses whose principal business operations are located in, or are relocated to, one or more qualified areas described by Section 487A.0001(4)(A).

(c) For purposes of Subsection (a)(2):

(1) the amount of growth investments that a rural and

opportunity fund may count with respect to a particular targeted small business, including any amount invested in an affiliate of the targeted small business, may not exceed:

(A) \$3 million for the initial growth investment and during the six months after the initial growth investment is made; or

(B) a total of \$5 million;

(2) an investment that is sold or repaid is considered to be maintained if the rural and opportunity fund reinvests an amount equal to the capital returned or recovered by the fund from the original investment, excluding any profit realized, in another growth investment in this state on or before the first anniversary of the date the capital is returned or recovered; and

(3) an amount received periodically by a rural and opportunity fund is considered to be continually invested in growth investments if that amount is reinvested in one or more growth investments by the end of the calendar year following the year of receipt.

(d) Subsection (a)(4) does not apply to investments in publicly traded securities by a targeted small business or an owner or affiliate of the targeted small business. For purposes of Subsection (a)(4), a rural and opportunity fund is not considered an affiliate of a targeted small business solely as a result of the fund's growth investment in the targeted small business.

(e) The office shall:

(1) notify the comptroller when the office revokes a tax credit certificate; and

(2) on request, provide the comptroller with lists of valid and revoked tax credit certificates.

Sec. 487A.0102. OPPORTUNITY TO CORRECT VIOLATION. (a) Before revoking a tax credit certificate under this subchapter, the office shall notify the rural and opportunity fund of the reasons for the pending revocation.

(b) The rural and opportunity fund may, not later than the 90th day after the date the notice is received, correct any violation outlined in the notice to the satisfaction of the office and avoid revocation of the tax credit certificate.

Sec. 487A.0103. ALLOCATION OF REVOKED INVESTMENT AUTHORITY. (a) If a tax credit certificate is revoked under this subchapter, the associated investment authority does not count toward the limit on total investment authority described in Section 487A.0052(b).

(b) The office shall first award revoked investment authority pro rata to each rural and opportunity fund whose requested investment authority was reduced under Section 487A.0052(c). The office may award any remaining investment authority to new applicants.

SUBCHAPTER D. CERTAIN FUND OPERATIONS

Sec. 487A.0151. APPLICATION TO EXIT PROGRAM. (a) On or after the sixth anniversary of the closing date, a rural and opportunity fund may apply to the office to exit the program and no longer be subject to regulation under this chapter.

(b) The office shall respond to the application not later than the 30th day after receipt.

(c) A rural and opportunity fund is eligible to exit the program under this section if no tax credit certificates related to investments in the fund have been revoked and the fund has not received any revocation notice that has not been corrected under Section 487A.0102.

(d) The office may not unreasonably deny an application under this section. The office shall give the rural and opportunity fund notice of a denial and include in the notice the reasons for the denial.

Sec. 487A.0152. NO REVOCATION FOLLOWING EXIT. The office may not revoke a tax credit certificate related to an investment in a rural and opportunity fund after the fund's exit from the program.

Sec. 487A.0153. PENALTY FOR CERTAIN DISTRIBUTIONS. (a) For purposes of this section:

(1) the "actual number of jobs created and retained" is the sum of the numbers of jobs created and jobs retained as a result of all of a rural and opportunity fund's current and former growth investments, as reported on the fund's reports submitted under Section 487A.0155; and

(2) the "estimated number of jobs created and

retained" is the sum of the estimated numbers of jobs created and jobs retained included in a rural and opportunity fund's application under Section 487A.0051(b)(4) reduced, if applicable, by the same percentage as the total investment authority sought under the fund's business plan submitted under Section 487A.0051(b)(1) was reduced under Section 487A.0052(c).

(b) A rural and opportunity fund is subject to a penalty in the amount provided by Subsection (c) if:

(1) the fund authorizes a distribution to the fund's equity holders in an amount that, when added to all previous distributions to the fund's equity holders and any previous penalties under this section, exceeds the fund's investment authority; and

(2) the fund's actual number of jobs created and retained is less than the fund's estimated number of jobs created and retained.

(c) The amount of the penalty is equal to the amount of the authorized distribution multiplied by a fraction:

(1) the numerator of which is the fund's estimated number of jobs created and retained less the fund's actual number of jobs created and retained; and

(2) the denominator of which is the fund's estimated number of jobs created and retained.

(d) Before making a distribution to the fund's equity holders, the fund shall deduct the amount of the penalty from the amount otherwise authorized to be distributed to the equity holders and pay the penalty to the office.

(e) The office shall deposit penalties received under Subsection (d) in the general revenue fund.

Sec. 487A.0154. EVALUATION OF PROPOSED INVESTMENT. (a) A rural and opportunity fund, before making a growth investment, may request from the office a written opinion as to whether the business in which the fund proposes to invest qualifies as a targeted small business.

(b) Not later than the 15th business day after receiving the request, the office shall notify the rural and opportunity fund of its determination.

(c) If the office fails to notify the rural and opportunity fund of its determination on or before the 15th business day after receiving the request, the business in which the fund proposes to invest is considered to be a targeted small business for purposes of this chapter.

Sec. 487A.0155. ANNUAL REPORT. (a) A rural and opportunity fund shall submit a report to the office on or before the fifth business day after each anniversary of the closing date until the fund has exited the program under Section 487A.0151.

(b) The report must document the rural and opportunity fund's growth investments and include:

(1) a bank statement showing each growth investment;

(2) the name, location, and industry of each business receiving a growth investment, including either the determination notice described by Section 487A.0154 or evidence that the business qualified as a targeted small business at the time the investment was made;

(3) the number of jobs created and jobs retained in the preceding calendar year as a result of the fund's growth investments as of the last day of that period;

(4) the average annual salary of the jobs described by Subdivision (3) and evidence of any other monetary or social benefit to this state as a result of those jobs; and

(5) any other information the office requires.

(c) A rural and opportunity fund may, but is not required to, include in any report submitted under this section information about the number of jobs created and jobs retained with respect to a former growth investment that the fund has exited.

SUBCHAPTER E. REPORT; CONDITIONS FOR ACCEPTANCE OF CERTAIN APPLICATIONS

Sec. 487A.0201. REPORT. (a) Before the beginning of the 90th Legislature, Regular Session, the office shall submit to the lieutenant governor, the speaker of the house of representatives, and each member of the legislature a report on the economic effects of this chapter.

(b) The report must include an assessment of:

(1) the aggregate effects of growth investments made

under this chapter, including:

(A) the total number of jobs created by all targeted small businesses that received growth investments, including direct jobs, indirect jobs, and induced jobs;

(B) the total number of jobs retained by all targeted small businesses that received growth investments;

(C) the total amount of wages paid in connection with jobs created and jobs retained by all targeted small businesses that received growth investments;

(D) the median wage of jobs created and jobs retained by all targeted small businesses that received growth investments; and

(E) the total amount of growth investments made under this chapter;

(2) the total effect of growth investments on personal income in this state, including direct and indirect effects;

(3) the gross domestic product of this state attributable to targeted small businesses that received growth investments;

(4) the total taxable value of property of targeted small businesses that received growth investments in this state according to tax appraisal rolls;

(5) a comprehensive analysis of the fiscal effect of growth investments on this state and local governments in this state;

(6) the benefits to this state from cost savings attributable to jobs created and jobs retained by all targeted small businesses that received growth investments, including:

(A) Medicaid savings, with savings to this state and the federal government listed separately;

(B) food assistance program savings;

(C) unemployment insurance payment savings; and

(D) any other savings that can be reasonably estimated using data available to the office in connection with some or all targeted small businesses that received growth investments; and

(7) a comprehensive analysis of the fiscal effect on

this state and local governments in this state of the effects described by Subdivisions (2)-(6).

(c) The report may not include information that is confidential by law.

(d) In preparing the portions of the report described by Subsections (b)(1)-(5), the office shall use standard, nationally recognized economic estimation techniques, including economic multipliers.

(e) The portions of the report described by Subsections (b)(1)-(5) must be based on data submitted to the office by each rural and opportunity fund.

Sec. 487A.0202. CONDITIONS FOR ACCEPTANCE OF CERTAIN APPLICATIONS. (a) The office may not accept applications under Section 487A.0051 after January 1, 2022, unless the total positive fiscal effects described by Section 487A.0201(b) exceed the sum of all tax credit certificates issued by the office under Section 487A.0055(b).

(b) The office shall resume accepting applications under Section 487A.0051 when the condition provided by Subsection (a) is satisfied.

(b) Subtitle B, Title 3, Insurance Code, is amended by adding Chapter 232 to read as follows:

CHAPTER 232. TAX CREDIT FOR INVESTMENT IN RURAL AND OPPORTUNITY

FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 232.0001. DEFINITIONS. In this chapter:

(1) "Affiliate" has the meaning assigned by Section 487A.0002, Government Code.

(2) "Closing date" has the meaning assigned by Section 487A.0001, Government Code.

(3) "State premium tax liability" means tax liability incurred under Chapter 221, 222, 223, or 224.

Sec. 232.0002. RULES. The comptroller shall adopt rules necessary to implement this chapter.

SUBCHAPTER B. TAX CREDIT

Sec. 232.0051. ELIGIBILITY FOR CREDIT. An entity is eligible for a credit against the entity's state premium tax

liability in the amount and under the conditions and limitations provided by this chapter.

Sec. 232.0052. QUALIFICATION. An entity is eligible for a credit for a tax year if:

(1) the entity holds a tax credit certificate issued under Section 487A.0055(b), Government Code; and

(2) the third, fourth, fifth, or sixth anniversary of the closing date in connection with which the certificate was issued occurs during the tax year.

Sec. 232.0053. AMOUNT OF CREDIT; LIMITATION. (a) The amount of credit for a tax year is equal to 25 percent of the amount of the credit-eligible capital contribution stated on the tax credit certificate described by Section 232.0052.

(b) The total credit claimed for a tax year, including the amount of any carryforward under Section 232.0054, may not exceed the amount of state premium tax liability due for the entity for the tax year after applying all other applicable tax credits.

Sec. 232.0054. CARRYFORWARD. If an entity is eligible for a credit that exceeds the limitation under Section 232.0053(b), the entity may carry the unused credit forward and claim the credit on a future tax report.

Sec. 232.0055. ASSIGNMENT PROHIBITED. (a) Except as provided by Subsection (b), an entity may not convey, assign, or transfer the credit allowed under this chapter to another entity.

(b) An entity may convey, assign, or transfer the credit allowed under this chapter to an affiliate of the entity that is subject to state premium tax liability.

Sec. 232.0056. RETALIATORY TAX. An entity claiming a credit under this chapter is not required to pay any additional retaliatory tax levied under Chapter 281 as a result of claiming that credit.

SUBCHAPTER C. RECAPTURE OF CREDIT

Sec. 232.0101. RECAPTURE. The comptroller shall recapture the amount of a credit claimed on a tax report filed under Chapter 221, 222, 223, or 224 from an entity if the tax credit certificate on which the credit is based is revoked under Subchapter C, Chapter 487A, Government Code.

(c) As soon as practicable after this Act becomes law as provided by Section 2001.006, Government Code:

(1) the Texas Economic Development and Tourism Office shall adopt rules necessary to implement Chapter 487A, Government Code, as added by this section; and

(2) the comptroller of public accounts shall adopt rules necessary to implement Chapter 232, Insurance Code, as added by this section.

(d) Not later than January 1, 2020, the Texas Economic Development and Tourism Office shall begin accepting applications under Section 487A.0051(a), Government Code, as added by this section.

(e) Chapter 232, Insurance Code, as added by this section, applies only to a tax report originally due on or after January 1, 2020.

(f) This section takes effect September 1, 2019.

(2) On page 12, strike lines 10 through 14 and substitute the following appropriately numbered SECTION:

SECTION _____. Except as otherwise provided by this Act:

(1) this Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution; and

(2) if this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2019.