

By: Paddie

H.B. No. 1000

A BILL TO BE ENTITLED

AN ACT

1
2 relating to rural and opportunity funds and insurance tax credits
3 for certain investments in those funds; imposing a monetary
4 penalty; authorizing fees.

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

6 SECTION 1. Subtitle F, Title 4, Government Code, is amended
7 by adding Chapter 487A to read as follows:

8 CHAPTER 487A. RURAL AND OPPORTUNITY FUNDS

9 SUBCHAPTER A. GENERAL PROVISIONS

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

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

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

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

21 (4) "Qualified area" means:

22 (A) a rural community as defined by Section
23 12.046, Agriculture Code; or

24 (B) a qualified opportunity zone as defined by

1 Section 1400Z-1, Internal Revenue Code of 1986.

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

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

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

10 (1) holds, directly or indirectly, the majority voting
11 or ownership interest in the controlled entity; or

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

14 Sec. 487A.0003. DEFINITION: CREDIT-ELIGIBLE CAPITAL
15 CONTRIBUTION. (a) In this chapter and subject to Subsection (b),
16 "credit-eligible capital contribution" means an investment of cash
17 that equals the amount specified on a tax credit certificate issued
18 by the office under Section 487A.0055(2) made by an entity that is
19 subject to state insurance tax liability, as defined by Section
20 232.0001, Insurance Code.

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

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

26 (2) at par value or premium, a debt instrument that has
27 a maturity date of at least five years from the closing date and a

1 repayment schedule that is no faster than level principal
2 amortization over five years.

3 Sec. 487A.0004. DEFINITION: INVESTMENT AUTHORITY. (a) In
4 this chapter, "investment authority" means the amount stated on the
5 notice issued under Section 487A.0055(1) approving the rural and
6 opportunity fund.

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

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

16 (b) The number of jobs created by a targeted small business
17 is calculated each year by subtracting the number of employment
18 positions in this state at the targeted small business at the time
19 of the initial growth investment in the targeted small business
20 from the monthly average of those employment positions for that
21 year. If the number calculated under this subsection is less than
22 zero, the number shall be reported as zero.

23 (c) The monthly average of employment positions for a year
24 is calculated by adding together the number of employment positions
25 existing on the last day of each month of the year and dividing by
26 12.

27 Sec. 487A.0006. DEFINITION: JOBS RETAINED. (a) In this

1 chapter, "jobs retained" means, with respect to a targeted small
2 business, employment positions:

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

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

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

13 (c) The monthly average of employment positions for a year
14 is calculated by adding together the number of employment positions
15 existing on the last day of each month of the year and dividing by
16 12.

17 (d) The reported number of jobs retained for a year may not
18 exceed the number reported on the initial report under Section
19 487A.0155. The rural and opportunity fund shall reduce the number
20 of jobs retained for a year if employment at the targeted small
21 business drops below the number reported on the initial report.

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

25 (1) had fewer than 250 employees; and

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

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

3 (1) at least 60 percent of the business's employees
4 work; or

5 (2) employees who are paid at least 60 percent of the
6 business's payroll work.

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

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

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

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

19 SUBCHAPTER B. APPROVAL OF RURAL AND OPPORTUNITY FUNDS

20 Sec. 487A.0051. APPLICATION. (a) The office shall accept
21 applications from entities seeking approval as rural and
22 opportunity funds.

23 (b) An application must include:

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

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

1 application:

2 (A) the applicant or affiliates of the applicant
3 have invested at least \$100 million in nonpublic companies, each of
4 which is located in a municipality with a population of less than
5 50,000 or a county with a population of less than 200,000,
6 regardless of whether the municipality or county is located inside
7 or outside this state; and

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

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

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

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

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

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

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

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

5 Sec. 487A.0052. DECISION ON APPLICATION. (a) The office
6 shall make a determination on each application not later than the
7 30th day after the date the office receives the application. The
8 office shall make application determinations in the order in which
9 applications are received and shall consider applications received
10 on the same day to be received simultaneously.

11 (b) The office may approve investment authority under this
12 chapter in amounts that would allow not more than \$35 million in tax
13 credits to be claimed under Section 232.0053, Insurance Code, in
14 any calendar year, excluding any credit carryforwards under Section
15 232.0054, Insurance Code.

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

27 Sec. 487A.0053. GROUNDS FOR DENIAL. The office may deny an

1 application under this subchapter only if:

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

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

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

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

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

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

25 (b) If the applicant completes, clarifies, or cures the
26 defects in its application during the period prescribed by
27 Subsection (a), the application is considered complete as of the

1 original submission date.

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

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

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

16 Sec. 487A.0055. APPROVAL BY OFFICE. On approval of an
17 application, the office shall provide:

18 (1) written notice to the applicant of the applicant's
19 approval as a rural and opportunity fund, including the amount of
20 the fund's investment authority; and

21 (2) a tax credit certificate to each investor whose
22 affidavit was included in the application and include on the
23 certificate the amount of the investor's credit-eligible capital
24 contribution.

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

27 (1) not later than the 60th day after the date the fund

1 receives the approval notice under Section 487A.0055:

2 (A) collect the credit-eligible capital
3 contribution from each investor issued a tax credit certificate
4 under Section 487A.0055; and

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

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

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

17 Sec. 487A.0057. LAPSE OF APPROVAL. (a) If a rural and
18 opportunity fund fails to comply with the requirements of Section
19 487A.0056, the fund's approval lapses and the corresponding
20 investment authority described by Section 487A.0056(a)(1) does not
21 count toward the limit prescribed by Section 487A.0052(b).

22 (b) The office shall first award lapsed investment
23 authority pro rata to each rural and opportunity fund whose
24 requested investment authority was reduced under Section
25 487A.0052(c). The rural and opportunity fund may allocate the
26 investment authority awarded under this subsection to the fund's
27 investors in the fund's discretion. The office may award any

1 remaining investment authority to new applicants.

2 Sec. 487A.0058. DISPOSITION OF APPLICATION FEES.
3 Application fees submitted to the office under Section
4 487A.0051(b)(7) shall be deposited to the credit of the general
5 revenue fund and may be appropriated only to the office for the
6 purpose of administering this chapter.

7 SUBCHAPTER C. REVOCATION OF TAX CREDIT CERTIFICATE

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

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

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

24 (3) makes a distribution or payment that results in
25 the fund having less than 100 percent of its investment authority
26 invested in growth investments in this state or available for
27 investment in growth investments and held in cash or marketable

1 securities; or

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

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

8 (1) the amount of growth investments that a rural and
9 opportunity fund may count with respect to a particular targeted
10 small business, including any amount invested in an affiliate of
11 the targeted small business, may not exceed the greater of \$5
12 million or 20 percent of the fund's investment authority; and

13 (2) at least 85 percent of the required investments
14 must be growth investments in targeted small businesses whose
15 principal business operations are located in, or are relocated to,
16 one or more rural communities as defined by Section [12.046](#),
17 Agriculture Code.

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

19 (1) the amount of growth investments that a rural and
20 opportunity fund may count with respect to a particular targeted
21 small business, including any amount invested in an affiliate of
22 the targeted small business, may not exceed the greater of \$5
23 million or 20 percent of the fund's investment authority;

24 (2) an investment that is sold or repaid is considered
25 to be maintained if the rural and opportunity fund reinvests an
26 amount equal to the capital returned or recovered by the fund from
27 the original investment, excluding any profit realized, in another

1 growth investment in this state on or before the first anniversary
2 of the date the capital is returned or recovered; and

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

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

14 (e) The office shall:

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

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

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

23 (b) The rural and opportunity fund may, not later than the
24 90th day after the date the notice is received, correct any
25 violation outlined in the notice to the satisfaction of the office
26 and avoid revocation of the tax credit certificate.

27 Sec. 487A.0103. ALLOCATION OF REVOKED INVESTMENT

1 AUTHORITY. (a) If a tax credit certificate is revoked under this
2 subchapter, the associated investment authority does not count
3 toward the limit on total investment authority described in Section
4 487A.0052(b).

5 (b) The office shall first award revoked investment
6 authority pro rata to each rural and opportunity fund whose
7 requested investment authority was reduced under Section
8 487A.0052(c). The office may award any remaining investment
9 authority to new applicants.

10 SUBCHAPTER D. CERTAIN FUND OPERATIONS

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

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

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

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

26 Sec. 487A.0152. NO REVOCATION FOLLOWING EXIT. The office
27 may not revoke a tax credit certificate related to an investment in

1 a rural and opportunity fund after the fund's exit from the program.

2 Sec. 487A.0153. PENALTY FOR CERTAIN DISTRIBUTIONS. (a)

3 For purposes of this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

25 Sec. 487A.0155. ANNUAL REPORT. (a) A rural and opportunity
26 fund shall submit a report to the office on or before the fifth
27 business day after each anniversary of the closing date until the

1 fund has exited the program under Section 487A.0151.

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

4 (1) a bank statement showing each growth investment;

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

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

13 (4) the average annual salary of the jobs described by
14 Subdivision (3); and

15 (5) any other information the office requires.

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

20 SECTION 2. Subtitle B, Title 3, Insurance Code, is amended
21 by adding Chapter 232 to read as follows:

22 CHAPTER 232. TAX CREDIT FOR INVESTMENT IN RURAL AND OPPORTUNITY

23 FUND

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 232.0001. DEFINITIONS. In this chapter:

26 (1) "Affiliate" has the meaning assigned by Section
27 487A.0002, Government Code.

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

3 (3) "State insurance tax liability" means any tax
4 liability incurred under Chapter 221, 222, 223, 223A, 224, 225,
5 226, or 281.

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

8 SUBCHAPTER B. TAX CREDIT

9 Sec. 232.0051. ELIGIBILITY FOR CREDIT. An entity is
10 eligible for a credit against the entity's state insurance tax
11 liability in the amount and under the conditions and limitations
12 provided by this chapter.

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

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

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

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

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

1 (c) Credits may be applied to the entity's estimated or
2 final tax payments for the tax year.

3 Sec. 232.0054. CARRYFORWARD. If an entity is eligible for a
4 credit that exceeds the limitation under Section 232.0053(b), the
5 entity may carry the unused credit forward for not more than 20
6 consecutive tax reports. Credits, including credit carryforwards,
7 are considered to be used in the following order:

8 (1) a credit carryforward under this chapter; and

9 (2) a current year credit.

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

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

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

20 SUBCHAPTER C. RECAPTURE OF CREDIT

21 Sec. 232.0101. RECAPTURE. The comptroller shall recapture
22 the amount of a credit claimed on a tax report filed under Chapter
23 221, 222, 223, 223A, 224, 225, 226, or 281 from an entity if the tax
24 credit certificate on which the credit is based is revoked under
25 Subchapter C, Chapter 487A, Government Code.

26 SECTION 3. (a) As soon as practicable after this Act
27 becomes law as provided by Section 2001.006, Government Code:

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

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

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

10 SECTION 4. Chapter 232, Insurance Code, as added by this
11 Act, applies only to a tax report originally due on or after January
12 1, 2020.

13 SECTION 5. This Act takes effect September 1, 2019.