87R6541 SMT-D

By:  Lucio III H.B. No. 2720

A BILL TO BE ENTITLED

AN ACT

relating to the authority of a Type A economic development corporation to provide grants and loans to small businesses during a declared state of disaster.

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

SECTION 1.  Chapter 504, Local Government Code, is amended by adding Subchapter D-1 to read as follows:

SUBCHAPTER D-1. PROJECTS AUTHORIZED DURING DISASTER

Sec. 504.181.  APPLICABILITY. This subchapter applies only to a Type A corporation authorized by a municipality that is wholly or partly located in an area declared to be in a state of disaster by the governor under Chapter 418, Government Code.

Sec. 504.182.  AUTHORITY FOR CERTAIN PROJECTS. (a) For a Type A corporation to which the subchapter applies, in this subtitle, "project" includes a program to provide grants and loans to small businesses during a declared state of disaster to promote recovery from the disaster.

(b)  A Type A corporation that provides a grant or loan under this subchapter must establish criteria to be used in determining which businesses may receive the grant or loan and the permitted uses of the grant or loan.

Sec. 504.183.  LIMITATION ON REVENUE SPENT ON PROJECTS. A Type A corporation may spend not more than 10 percent of the sales and use tax revenue received by the corporation under this chapter to establish and operate a project authorized by this subchapter.

SECTION 2.  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. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.