

By: Lucio III

H.B. No. 2720

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the authority of a Type A economic development  
3 corporation to provide grants and loans to small businesses during  
4 a declared state of disaster.

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

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

8 SUBCHAPTER D-1. PROJECTS AUTHORIZED DURING DISASTER

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

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

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

22 Sec. 504.183. LIMITATION ON REVENUE SPENT ON PROJECTS. A  
23 Type A corporation may spend not more than 10 percent of the sales  
24 and use tax revenue received by the corporation under this chapter

1 to establish and operate a project authorized by this subchapter.

2           SECTION 2. This Act takes effect immediately if it receives  
3 a vote of two-thirds of all the members elected to each house, as  
4 provided by Section 39, Article III, Texas Constitution. If this  
5 Act does not receive the vote necessary for immediate effect, this  
6 Act takes effect September 1, 2021.