

By: Neave

H.B. No. 3708

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the Small Business Disaster Recovery Grant Program.

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

SECTION 1. Chapter 481, Government Code, is amended by adding Subchapter EE to read as follows:

SUBCHAPTER EE. SMALL BUSINESS DISASTER RECOVERY GRANT PROGRAM

Sec. 481.601. DEFINITIONS. In this subchapter:

(1) "Disaster declaration" means a declaration by the governor of a state of disaster under Section 418.014.

(2) "Executive director" means the executive director of the Texas Economic Development and Tourism Office.

(3) "Grant program" means the Small Business Disaster Recovery Grant Program established under this subchapter.

(4) "Historically underutilized business" has the meaning assigned by Section 2161.001.

(5) "Small business" has the meaning assigned by Section 481.401.

Sec. 481.602. ESTABLISHMENT OF GRANT PROGRAM. The office shall establish and administer the Small Business Disaster Recovery Grant Program to assist small businesses located in an area subject to a disaster declaration in recovering from the disaster.

Sec. 481.603. SMALL BUSINESS DISASTER RECOVERY GRANT PROGRAM ACCOUNT. (a) The Small Business Disaster Recovery Grant

1 Program account is a dedicated account in the general revenue fund.

2 (b) The account consists of:

3 (1) money appropriated to the account by the
4 legislature;

5 (2) interest earned on the deposit and investment of
6 money in the account; and

7 (3) gifts, grants, and other donations contributed to
8 the office for the grant program.

9 (c) Money in the account may be spent only to make grants to
10 small businesses under the grant program.

11 (d) Notwithstanding Subsection (c), the office may spend
12 money in the account to provide assistance to nonprofit
13 organizations that serve small and historically underutilized
14 businesses for the purpose of assisting the businesses in applying
15 for grants under this subchapter.

16 Sec. 481.604. ELIGIBILITY AND PRIORITY FOR GRANT. (a) To be
17 eligible to receive a grant under this subchapter, a small business
18 must:

19 (1) be organized under the laws of this state;

20 (2) be in good standing under the laws of this state;

21 and

22 (b) The office shall by rule develop a method for
23 prioritizing among small businesses for receipt of grants under
24 this subchapter. In developing the prioritization method, the
25 office must:

26 (1) prioritize businesses that are ineligible for or
27 have not directly received federal grant assistance related to the

1 disaster declaration; and

2 (2) award grants to small businesses in the following
3 order of priority:

4 (A) small businesses with fewer than 10
5 employees;

6 (B) small businesses with more than 10 but fewer
7 than 50 employees; and

8 (C) small businesses with 50 or more employees.

9 Sec. 481.605. USES OF GRANT. A small business may use a
10 grant received under this subchapter:

11 (1) to pay the small business's payroll costs,
12 including costs associated with rehiring laid off employees; or

13 (2) for any other legitimate business purpose
14 identified by the office.

15 Sec. 481.606. APPLICATION FOR GRANT. (a) The office shall
16 develop and implement an application process for a small business
17 to receive a grant under this subchapter.

18 (b) The office shall publish information regarding applying
19 for a grant under this subchapter to the office's Internet website
20 in at least English and Spanish.

21 Sec. 481.607. GRANT PROGRAM RULES. (a) The executive
22 director shall adopt rules necessary to implement this subchapter.

23 (b) The office shall post the rules on the office's Internet
24 website.

25 Sec. 481.608. REPORT. Not later than December 1 of each
26 even-numbered year, the office shall prepare and submit to the
27 governor, the lieutenant governor, and each member of the

1 legislature a report that includes:

2 (1) the total dollar amount of grants provided under
3 this subchapter during the two-year period preceding that date; and

4 (2) information regarding the small businesses that
5 received a grant under this subchapter during the two-year period
6 preceding that date.

7 SECTION 2. This Act takes effect September 1, 2021.