

1-1 By: Johnson, et al. (Senate Sponsor - West) H.B. No. 1629  
 1-2 (In the Senate - Received from the House May 11, 2015;  
 1-3 May 13, 2015, read first time and referred to Committee on Business  
 1-4 and Commerce; May 22, 2015, reported favorably by the following  
 1-5 vote: Yeas 6, Nays 0; May 22, 2015, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11			X	
1-12			X	
1-13	X			
1-14			X	
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED  
 1-18 AN ACT

1-19 relating to crowdfunding portal regulations for small business  
 1-20 development.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The Securities Act (Article 581-1 et seq.,  
 1-23 Vernon's Texas Civil Statutes) is amended by adding Section 44 to  
 1-24 read as follows:

1-25 Sec. 44. CROWDFUNDING. (a) The Board shall adopt rules to  
 1-26 regulate and facilitate online intrastate crowdfunding applicable  
 1-27 to authorized small business development entities. The Board may  
 1-28 create other requirements necessary to carry out this section.

1-29 (b) The rules for authorized small business development  
 1-30 entities must:

1-31 (1) allow authorized small business development  
 1-32 entities to list on their web portals offerings of securities by  
 1-33 issuers in which they are financially interested;

1-34 (2) allow authorized small business development  
 1-35 entities and their portals to list offerings of securities without  
 1-36 offering investment advice;

1-37 (3) allow authorized small business development  
 1-38 entities to subcontract the operations of a crowdfunding web portal  
 1-39 to a third party as permitted by Board rule; and

1-40 (4) limit the offerings of securities on an authorized  
 1-41 small business development entity's web portal to securities of  
 1-42 issuers located within the service area of the authorized small  
 1-43 business development entity.

1-44 (c) In this section, "authorized small business development  
 1-45 entity" means:

1-46 (1) a Type A corporation authorized under Chapter 504,  
 1-47 Local Government Code;

1-48 (2) a Type B corporation authorized under Chapter 505,  
 1-49 Local Government Code;

1-50 (3) a nonprofit organization authorized by an agency  
 1-51 or authority of the federal government to distribute housing and  
 1-52 community development block grants;

1-53 (4) a municipal corporation;

1-54 (5) the Texas Veterans Commission; or

1-55 (6) a nonprofit community development financial  
 1-56 institution certified by the Community Development Financial  
 1-57 Institutions Fund.

1-58 SECTION 2. This Act takes effect September 1, 2015.

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