

AN ACT

relating to the Texas economic development fund for the Department of Agriculture.

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

SECTION 1. Sections 12.0272(a) and (b), Agriculture Code, are amended to read as follows:

(a) The Texas economic development fund is a fund in the state treasury. The fund consists of:

(1) all interest, income, revenue, and other assets associated with economic development programs established using money allocated and paid to the department under the August 15, 2011, allocation agreement between the department and the United States Department of the Treasury, as amended, to implement the State Small Business Credit Initiative Act of 2010 (12 U.S.C. Section 5701 et seq.);

(2) all money, deposits, distributions, dividends, earnings, gain, income, interest, proceeds, profits, program income, rents, returns of capital, returns on investments, royalties, revenue, or yields received or realized by the department as a result of an investment made by or on behalf of the department pursuant to the August 15, 2011, allocation agreement between the department and the United States Department of the Treasury, as amended;

(3) gifts, loans, donations, aid, appropriations,

1 guaranties, allocations, subsidies, grants, or contributions
2 received under Sections 12.022 and [Section] 12.027(g);

3 (4) interest and income earned on the investment of
4 money in the fund; and

5 (5) other money required by law to be deposited in the
6 fund.

7 (b) Money in the Texas economic development fund is
8 dedicated to and may be appropriated only to the department for the
9 purposes [purpose] of administering, continuing [establishing],
10 implementing, or maintaining:

11 (1) an economic development program originally
12 established as part of the department's implementation of the State
13 Small Business Credit Initiative; and

14 (2) ~~[under this section and is dedicated to and may be~~
15 ~~used only for the administration, establishment, implementation,~~
16 ~~or maintenance of]~~ one or more of the department's economic
17 development programs:

18 (A) established to encourage the export of Texas
19 agricultural products or products manufactured in rural Texas; or

20 (B) established through an agreement with a
21 federal agency, foreign governmental entity, local governmental
22 entity, nonprofit organization, private entity, public university,
23 or state governmental entity to encourage rural economic
24 development in this state.

25 SECTION 2. Chapter 12, Agriculture Code, is amended by
26 adding Section 12.0273 to read as follows:

27 Sec. 12.0273. LIMITATIONS ON LOANS AND GRANTS FROM TEXAS

1 ECONOMIC DEVELOPMENT FUND. (a) The department may use money in the
2 Texas economic development fund only to make loans and grants in the
3 manner provided by this section for the purposes provided by
4 Section 12.0272(b).

5 (b) The recipient of a grant using money from the fund must
6 provide matching funds in an amount equal to 25 percent of the
7 amount of the grant.

8 (c) The term of a loan made using money from the fund may not
9 exceed 20 years. A loan must require monthly payments of principal
10 and interest beginning not later than the 90th day after the date
11 the loan is made.

12 (d) The department shall administer the fund as a perpetual
13 source of financing for loans and grants under this section. The
14 department shall use payments of principal and interest to make
15 additional loans and grants.

16 (e) The cumulative amount of loans and grants to any person
17 using money from the fund may not exceed \$1 million.

18 (f) The department shall retain in the fund in the state
19 treasury an amount of money equal to at least 25 percent of the
20 amount of money in the fund on January 1, 2017.

21 (g) Not later than December 1 of each even-numbered year,
22 the department shall submit a report on the status of the fund,
23 including loans and grants made using money from the fund, to the
24 governor, lieutenant governor, speaker of the house of
25 representatives, and chairs of the house and senate committees with
26 primary jurisdiction over the department.

27 SECTION 3. This Act takes effect immediately if it receives

H.B. No. 2004

1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2017.

President of the Senate

Speaker of the House

I certify that H.B. No. 2004 was passed by the House on May 6, 2017, by the following vote: Yeas 126, Nays 16, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2004 on May 24, 2017, by the following vote: Yeas 126, Nays 19, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2004 was passed by the Senate, with amendments, on May 22, 2017, by the following vote: Yeas 25, Nays 5.

Secretary of the Senate

APPROVED: _____

Date

Governor