

**House Bill 2004**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

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

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

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

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

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

SENATE VERSION (CS)

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

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

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

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

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

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

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

~~(3) one or more programs to further the department's duties under Section 12.022;~~

~~(4) one or more programs or services to encourage the export of Texas agricultural products or products manufactured in rural Texas; and~~

~~(5) an economic development program established through an agreement with a federal agency, foreign governmental entity, local governmental entity, nonprofit organization, private entity, public university, or state governmental entity to encourage rural economic development in this state.~~

No equivalent provision.

SENATE VERSION (CS)

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

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

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

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

Sec. 12.0273. LIMITATIONS ON LOANS AND GRANTS FROM TEXAS ECONOMIC DEVELOPMENT FUND. (a)

The department may use money in the Texas economic development fund only to make loans and grants in the manner provided by this section for the purposes provided by Section 12.0272(b).

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

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

(d) The department shall administer the fund as a perpetual

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source of financing for loans and grants under this section. The department shall use payments of principal and interest to make additional loans and grants.

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

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

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

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, 2017.

SECTION 3. Same as House version.