

BILL ANALYSIS

Senate Research Center
84R22111 CLG-D

H.B. 2667
By: Ashby (Elife)
Natural Resources & Economic Development
5/8/2015
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Interested parties note that there are multiple economic development programs under the Texas Economic Development Bank, some of which are no longer in operation or have been stagnant for several years. H.B. 2667 seeks to eliminate certain of these unused programs from statute.

H.B. 2667 amends current law relating to the abolishment of certain programs administered by the Texas Economic Development Bank.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Subchapter N (Business Development--Linked Deposit Program), Chapter 481 (Texas Economic Development and Tourism Office), Government Code.

Repealer: Chapter 503 (Texas Small Business Industrial), Local Government Code.

SECTION 2. Amends Section 447.013(i), Government Code, as follows:

(i) Provides that a recipient of a grant or loan under this section is encouraged to purchase goods and services from small businesses and historically underutilized businesses, as those terms are defined by former Section 481.191 (Definitions), as that section existed on January 1, 2015. Makes a nonsubstantive change.

SECTION 3. Amends Section 489.108, Government Code, as follows:

Sec. 489.108. PROGRAMS, SERVICES, AND FUNDS UNDER BANK'S DIRECTION. Requires the bank, notwithstanding any other law, to perform the duties and functions of the office with respect to the following programs, services, and funds:

(1) Redesignates existing Subdivision (2) as Subdivision (1); the capital access program established under Section 481.405 (Capital Access Program);

(2) Redesignates existing Subdivision (3) as Subdivision (2); the Texas leverage fund;

(3) Redesignates existing Subdivision (5) as Subdivision (3); the enterprise zone program established under Chapter 2303 (Enterprise Zones);

(4) Redesignates existing Subdivision (6) as Subdivision (4); the industrial revenue bond program;

(5) Redesignates existing Subdivision (7) as Subdivision (5); the defense economic readjustment zone program established under Chapter 2310 (Defense Economic Readjustment Zone);

(6) Redesignates existing Subdivision (8) as Subdivision (6); the Empowerment Zone and Enterprise Community grant program established under Section 481.025 (Administration of Other Statutes); and

(7) Redesignates existing Subdivision (9) as Subdivision (7); the renewal community program.

Deletes existing text requiring the bank, notwithstanding any other law, to perform the duties and functions of the office with respect to the Texas Small Business Industrial Development Corporation established under Chapter 503, Local Government Code, and the linked deposit program established under Section 481.193.

SECTION 4. Amends Section 39.909(a), Utilities Code, to define "small business" and "historically underutilized business."

SECTION 5. Amends Section 52.256(a), Utilities Code, to define "small business" and "historically underutilized business."

SECTION 6. (a) Requires the Texas Economic Development Bank to reject any application for a linked deposit loan submitted to the bank before the effective date of this Act for which a linked deposit has not been made in accordance with Subchapter N, Chapter 481, Government Code, as that subchapter existed immediately before being repealed by this Act.

(b) Provides that, notwithstanding the repeal by this Act of Subchapter N, Chapter 481, Government Code, Subchapter N is continued in effect for the limited purpose of allowing the Texas Economic Development Bank to administer linked deposits made before the effective date of this Act and to pursue the bank's remedies under that subchapter if:

(1) a recipient of a loan to which a deposit is linked defaults on the loan; or

(2) a lending institution that makes a loan for which a linked deposit is made fails to comply with that subchapter.

SECTION 7. Requires the Texas Economic Development Bank, as soon as practicable after the effective date of this Act, to send to the comptroller of public accounts of the State of Texas for deposit in the general revenue fund any revenue or other money of the Texas Small Business Industrial Development Corporation held in financial institutions as provided by Section 503.055, Local Government Code, as that section existed immediately before that section's repeal by this Act.

SECTION 8. Effective date: September 1, 2015.