

BILL ANALYSIS

Senate Research Center
80R6309 DWS-D

S.B. 637
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S/C on Emerging Technologies & Economic Dev.
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Enterprise Fund (fund) was created to attract new jobs and employers to Texas. The fund is intended to create economic development incentives, but there are currently no statutory requirements in place that specify how the grants are to be awarded. More specifically, there is no statute requiring that the incentives be directed to encourage small business development. Applicants are generally judged based upon job creation and wages, capital investments, financial strength, business history, and public and private sector support.

Small businesses create two-thirds of all new jobs in the state, but often small business owners need help in developing their business plans and succeeding. If they were able to receive grant money from the fund, small businesses could more easily establish their role as prominent contributors to the state's economy.

As proposed, S.B. 637 requires at least 25 percent of the total amount of grants made from the Texas Enterprise Fund to be made to recipients that are small-business concerns or that commit to using the grants to create new small-business concerns

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. Provides that the vital importance of small-business concerns to the economy of this state and the well-being of its residents requires that it be the policy of this state to encourage the creation of small-business concerns and promote opportunities for those concerns to prosper.

SECTION 2. Amends Section 481.078, Government Code, by adding Subsection (k), to require at least 25 percent of the total amount of grants made from the Texas Enterprise Fund to be made to recipients that are small-business concerns or that commit to using the grants to create new small-business concerns. Defines "small-business."

SECTION 3. Effective date: September 1, 2007.