

## **BILL ANALYSIS**

Senate Research Center

S.B. 2204  
By: Hancock  
Business & Commerce  
4/10/2017  
As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Administered by the Texas Treasury Safekeeping Trust Company, the Certified Capital Company (CAPCO) program was created in 2001 (S.B. 601, Carona) to stimulate job creation through a government-sponsored venture capital structure built around the state's issuance of insurance premium tax credits in exchange for insurance companies investing "certified capital" in CAPCOs, which would then invest that money in qualified businesses (low-income, early stage, strategic investment business or area).

S.B. 2204 amends current law relating to the administration of the certified capital company program by the office of the comptroller of public accounts by repealing Chapter 228, Insurance Code, effective December 31, 2018. The bill contains a savings clause to ensure that premium tax credits for certified capital are not affected by the repeal, as the statute allows the tax credits to be carried forward indefinitely.

As proposed, S.B. 2204 amends current law relating to the administration of the certified capital company program by the office of the comptroller of public accounts.

### **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, effective December 31, 2018: Chapter 228 (Premium Tax Credit for Certain Investments), Insurance Code.

SECTION 2. Provides that the repeal by this Act of Chapter 228, Insurance Code, does not affect premium tax credits for certified capital invested under that chapter before the effective date of the repeal and the recapture of those credits. Provides that premium tax credits for certified capital invested before the effective date of the repeal and the recapture of those credits are governed by the law as it existed immediately before that date, and that law is continued in effect for that purpose.

SECTION 3. Effective date: upon passage or September 1, 2017.