

1-1 By: West S.B. No. 1293
1-2 (In the Senate - Filed March 7, 2013; March 13, 2013, read
1-3 first time and referred to Committee on Transportation;
1-4 April 18, 2013, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 6, Nays 3; April 18, 2013,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Nichols	X			
1-9 Paxton		X		
1-10 Campbell		X		
1-11 Davis	X			
1-12 Ellis	X			
1-13 Hancock		X		
1-14 Patrick	X			
1-15 Uresti	X			
1-16 Watson	X			
1-17				

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1293 By: Ellis

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to creating a disadvantaged business assistance program to
1-22 be operated by the Texas Department of Transportation.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Subchapter I, Chapter 201, Transportation Code,
1-25 is amended by adding Section 201.7025 to read as follows:

1-26 Sec. 201.7025. DISADVANTAGED BUSINESS ASSISTANCE PROGRAM.

1-27 (a) The commission by rule may establish a program for assisting
1-28 businesses that are identified as disadvantaged businesses under
1-29 the program established under Section 201.702.

1-30 (b) The department may establish, as an account in the state
1-31 highway fund, a revolving fund to provide financing to foster and
1-32 stimulate the development of the businesses. The revolving fund
1-33 may be composed of financing application fees, loan repayments,
1-34 guarantee fees, dividend income, donations, contributions, or
1-35 money appropriated by the legislature for purposes for which the
1-36 fund may be used, amounts received by the state from federal grants
1-37 or other sources, and any other amounts received under this section
1-38 and required by the department to be deposited in the revolving
1-39 fund. Money that is dedicated for another purpose, including money
1-40 that is required to be used for public roadways by the Texas
1-41 Constitution or federal law, may not be deposited in the revolving
1-42 fund. Interest earned on the money in the revolving fund shall be
1-43 credited to the revolving fund.

1-44 (c) Money in the revolving fund established under this
1-45 section may be used only to provide financing, including loans, to
1-46 foster and stimulate the development of businesses that are
1-47 identified as disadvantaged businesses under the program
1-48 established under Section 201.702 and for the purposes of that
1-49 program, particularly to help remove barriers to the participation
1-50 of disadvantaged businesses in department contracts and to assist
1-51 the development of those businesses so that they are able to compete
1-52 successfully in the marketplace without program assistance.

1-53 (d) Financing from the revolving fund established under
1-54 this section must be on terms and conditions that the department
1-55 determines to be reasonable, appropriate, and consistent with the
1-56 purposes and objectives of this section and the disadvantaged
1-57 business program established under Section 201.702.

1-58 (e) The commission shall adopt rules governing the terms and
1-59 conditions of the financing, specifically including requirements
1-60 for appropriate security or collateral, equity interest, and the

2-1 rights and remedies of the department in the event of a default on a
2-2 loan. The rules must include a requirement that applicants report
2-3 to the department on the use of money distributed from the fund.

2-4 (f) A claim of the state for a payment owed to the state
2-5 under this section by a person who has been provided financing under
2-6 this section is considered a state debt for purposes of Section
2-7 403.055, Government Code.

2-8 SECTION 2. This Act takes effect immediately if it receives
2-9 a vote of two-thirds of all the members elected to each house, as
2-10 provided by Section 39, Article III, Texas Constitution. If this
2-11 Act does not receive the vote necessary for immediate effect, this
2-12 Act takes effect September 1, 2013.

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