

By: Thierry

H.B. No. 2964

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to certain requirements for a qualified business or  
3 enterprise project under the enterprise zone program and to the  
4 definition of qualified employee for purposes of the program.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 2303.003(7), Government Code, is amended  
7 to read as follows:

8 (7) "Qualified employee" means a person who:

9 (A) works for a qualified business;

10 (B) receives wages from the qualified business  
11 from which employment taxes are deducted; and

12 (C) performs at least 50 percent of the person's  
13 service for the business at the qualified business site, performs  
14 services for the business pursuant to a telecommute arrangement for  
15 the qualified business site and resides in this state, or if the  
16 person engages in the transportation of goods or services, the  
17 person reports to the qualified business site and resides within 50  
18 miles of the qualified business site.

19 SECTION 2. Section 2303.401, Government Code, is amended to  
20 read as follows:

21 Sec. 2303.401. DEFINITIONS. In this subchapter:

22 (1) "New permanent job" means any [~~a~~] new employment  
23 position, regardless of job function, that:

24 (A) is created by a qualified business as

1 described by Section 2303.402 at the qualified business site not  
2 earlier than the 90th day before the date the business's project or  
3 activity is designated as an enterprise project under this chapter;

4 (B) will provide or has provided for the duration  
5 of the project's designation period at least 1,820 hours of  
6 employment a year to a qualified employee; and

7 (C) will exist or has existed at the qualified  
8 business site for the longer of:

9 (i) the duration of the project's  
10 designation period; or

11 (ii) three years after the date on which a  
12 state benefit is received as authorized by this chapter.

13 (2) "Retained job" means any employment position,  
14 regardless of job function, [a job] that:

15 (A) existed with a qualified business on the 91st  
16 day before the date the business's project or activity is  
17 designated as an enterprise project;

18 (B) has provided and will continue to provide  
19 employment to a qualified employee of at least 1,820 hours  
20 annually; and

21 (C) will be or has been an employment position  
22 for the longer of:

23 (i) the duration of the project's  
24 designation period; or

25 (ii) three years after the expiration date  
26 of the claim period for receipt of a state benefit authorized by  
27 this chapter.

1 SECTION 3. Section 2303.402(a), Government Code, is amended  
2 to read as follows:

3 (a) A person is a qualified business if the bank, for the  
4 purpose of state benefits under this chapter, or the nominating  
5 body of a project or activity of the person under this chapter, for  
6 the purpose of local incentives, certifies that:

7 (1) the person is engaged in or has provided  
8 substantial commitment to initiate the active conduct of a trade or  
9 business in an enterprise zone, and at least 25 percent of the  
10 person's new permanent jobs in the enterprise zone are held by:

11 (A) residents of any enterprise zone in this  
12 state;

13 (B) economically disadvantaged individuals; ~~[or]~~

14 (C) veterans; ~~[or]~~

15 (D) residents of an area in this state designated  
16 as a qualified opportunity zone under Section 1400Z-1, Internal  
17 Revenue Code of 1986; or

18 (E) individuals who are members of a minority  
19 group as defined by Section 2306.6734(c); or

20 (2) the person is engaged in or has provided  
21 substantial commitment to initiate the active conduct of a trade or  
22 business in an area of this state that does not qualify as an  
23 enterprise zone, and at least 35 percent of the person's new  
24 permanent jobs at the qualified business site are held by:

25 (A) residents of any enterprise zone in this  
26 state;

27 (B) individuals who are economically

1 disadvantaged; ~~[or]~~

2 (C) veterans;

3 (D) residents of an area in this state designated  
4 as a qualified opportunity zone under Section 1400Z-1, Internal  
5 Revenue Code of 1986; or

6 (E) individuals who are members of a minority  
7 group as defined by Section 2306.6734(c).

8 SECTION 4. Subchapter F, Chapter 2303, Government Code, is  
9 amended by adding Section 2303.409 to read as follows:

10 Sec. 2303.409. TEMPORARY WAIVER OF EMPLOYMENT HOURS  
11 REQUIREMENT. (a) Notwithstanding any other provision of law, the  
12 minimum requirement of annual employment hours for a new permanent  
13 job or a retained job as defined by Section 2303.401 is waived for  
14 any annual certification or retention period that includes any  
15 period beginning March 1, 2020, and ending December 31, 2021.

16 (b) This section expires December 31, 2022.

17 SECTION 5. Section 151.429, Tax Code, is amended by adding  
18 Subsection (g-1) to read as follows:

19 (g-1) Notwithstanding Subsection (g), the level of  
20 employment of qualified employees required to be maintained by an  
21 enterprise project is waived for any annual period that includes  
22 any period beginning March 1, 2020, and ending December 31, 2021.  
23 This subsection expires December 31, 2022.

24 SECTION 6. (a) Except as provided by Subsection (b) of this  
25 section, the changes in law made by this Act apply only to an  
26 application for an enterprise project designation or for a refund  
27 of state taxes as provided by the enterprise zone program

1 established under Chapter 2303, Government Code, as amended by this  
2 Act, that is submitted on or after the effective date of this Act.  
3 An application for an enterprise project designation or for a state  
4 tax refund as provided by the enterprise zone program that is  
5 submitted before the effective date of this Act is governed by the  
6 law in effect on the date the application was submitted, and the  
7 former law is continued in effect for that purpose.

8 (b) Section 2303.409, Government Code, as added by this Act,  
9 and Section 151.429(g-1), Tax Code, as added by this Act, apply to  
10 an enterprise project that is under audit or subject to audit by the  
11 comptroller of public accounts on or after the effective date of  
12 this Act.

13 SECTION 7. This Act takes effect immediately if it receives  
14 a vote of two-thirds of all the members elected to each house, as  
15 provided by Section 39, Article III, Texas Constitution. If this  
16 Act does not receive the vote necessary for immediate effect, this  
17 Act takes effect September 1, 2021.