

BILL ANALYSIS

Senate Research Center

S.B. 15
By: Madla
Finance
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Enrolled

DIGEST AND PURPOSE

Recently, in an effort to re-employ former defense workers, San Antonio has focused on attracting Toyota. Toyota insisted on locating a site that offered competitive rail access; however, the site under consideration by Toyota does not offer such access. S.B. 15 would authorize the Texas Department of Economic Development to grant \$15 million from the Smart Jobs Fund Account for the construction of a secondary rail line.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Economic Development in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. LEGISLATIVE FINDINGS. Provides that the legislature finds that the use of public funds for certain purposes relating to business location incentives is in the public interest and serves a public purpose of the state.

SECTION 2. BUSINESS LOCATION INCENTIVES. (a) Provides that the Texas Department of Economic Development (TDED) is authorized to make grants to local governmental entities within Texas for the purpose of diversifying the economy, reducing unemployment or underemployment, or developing or expanding transportation or commerce. Requires TDED to develop procedures or adopt rules to implement this Act.

(b) Provides that from the amounts appropriated by Chapter 637, Acts of the 77th Legislature, Regular Session, 2001, and Chapter 1515, Acts of the 77th Legislature, Regular Session, 2001 (the General Appropriations Act), from Smart Jobs Fund No. 891 to TDED in connection with the smart jobs fund program, TDED is authorized to expend the unencumbered amount of \$15 million during the remainder of the fiscal year ending August 31, 2003, for business location incentives.

(c) Provides that if TDED is not abolished on September 1, 2003, by operation of Chapter 325 (Texas Sunset Act), Government Code, the unexpended balance of funds described by Subsection (b) of this section remaining at the end of the fiscal year ending August 31, 2003, is appropriated from Smart Jobs Fund No. 891 to TDED for the fiscal year beginning September 1, 2003, for business location incentives. Prohibits the total amount of funds appropriated from Smart Jobs Fund No. 891 under this subsection and Subsection (b) of this section from exceeding \$15 million.

(d) Provides that a grant awarded under this section is contingent on the recipient meeting certain criteria relating to the purposes for which the grant is made. Requires TDED, before awarding a grant under this section, to enter into a written agreement containing certain specifications with the local governmental entity being awarded the grant.

(e) Requires the unexpended balance of funds described by Subsection (b) of this section remaining at the end of the fiscal year ending August 31, 2003, if TDED is abolished on September 1, 2003, by operation of Chapter 325 (Texas Sunset Act), Government Code, to be transferred to an appropriate state agency designated by the governor to be used for the purposes and in the manner described by this Act. Prohibits the total amount of funds

appropriated from Smart Jobs Fund No. 891 under this subsection and Subsection (b) of this section from exceeding \$15 million.

SECTION 3. Effective date: upon passage or September 1, 2003.