

BILL ANALYSIS

Senate Research Center
78R1947 ATP-D

S.B. 403
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Intergovernmental Relations
2/28/2003
As Filed

DIGEST AND PURPOSE

Currently, the Texas Department of Economic Development receives three different types of applications to review and approve under the Texas Enterprise Zone Act: enterprise zone applications, project applications, and job certification applications. The first establishes the zones, the second designates businesses as projects, and the third certifies the jobs to be created and/or retained as committed by the business in the project application. Only after the jobs are certified can the business proceed to the comptroller to seek the promised incentives. However, there remains a discrepancy problem with the timing required to review the applications. Zones have a ten-day turnaround time in the statute with which to comply, and projects have a ninety-day turnaround time for negotiating the agreement between the business and the state, but the job certification application does not have a time restriction. As proposed, S.B. 403 would seek to place all applications on the same time frame of sixty working days in order to ensure the program's goal of attracting and retaining businesses in distressed areas of the state.

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. Amends Chapter 2303B, Government Code, by adding Section 2303.055, as follows:

Sec. 2303.055. ACTION ON APPLICATION RECEIVED BY DEPARTMENT. Requires the Texas Department of Economic Development (TDED), not later than the 60th working day after the date on which TDED receives an application under this chapter, to perform certain duties.

SECTION 2. Amends Section 2303.105(b), Government Code, to require an application to include a map of the area showing existing streets and highways, in a paper format and in an electronic format suitable for the Internet.

SECTION 3. Amends Section 2303.109(b), Government Code, to authorize an area designated as a renewal community rather than federal enterprise zone, a federal empowerment zone, including developable areas, or federal enterprise community to be designated as an enterprise zone.

SECTION 4. Amends Section 2303.110(e), Government Code, to increase the fee charged for each amendment of an enterprise zone boundary from \$500 to \$1,000.

SECTION 5. Amends Section 2303.112, Government Code, to make conforming changes.

SECTION 6. Amends Section 2303.404(b), Government Code, to expand the list of governing bodies of enterprise zones to which a request under this section may be made to include the governing body of an enterprise zone that is an area designated as a renewal community, federal empowerment zone, including developable areas, or federal enterprise community. Makes nonsubstantive changes.

SECTION 7. Amends Section 2303.406, Government Code, by amending Subsection (a) and adding

Subsection (e), as follows:

(a) Authorizes TDED to designate a business as an enterprise project if TDED determines that a business seeking job retention benefits is substantially likely to, rather than will, permanently lay off employees, close down permanently, or relocate out-of-state. Authorizes TDED to designate a business as an enterprise project if the business facility is both adding a new business line or product and deleting or decreasing an existing business line or product, and the designation will prevent the facility's net production capacity from decreasing.

(e) Authorizes TDED to designate multiple concurrent enterprise projects in the same enterprise zone and to designate the same qualified business as more than one enterprise project.

SECTION 8. (a) Effective date: September 1, 2003. Makes application of this Act prospective, except as provided by Subsection (b).

(b) Makes application of this Act retroactive to January 1, 2002, as regards an application submitted under Chapter 2303, Government Code, as amended by this Act.