

By: Seaman

H.B. No. 102

A BILL TO BE ENTITLED

AN ACT

relating to the designation of enterprise zones and enterprise projects.

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

SECTION 1. Subchapter B, Chapter 2303, Government Code, is amended by adding Section 2303.055 to read as follows:

Sec. 2303.055. ACTION ON APPLICATION RECEIVED BY DEPARTMENT. Not later than the 60th working day after the date on which the department receives an application under this chapter, the department shall:

(1) review the application; and

(2) approve or deny the application as provided by this chapter or return the application to the applicant to correct any deficiency in the application.

SECTION 2. Section 2303.105(b), Government Code, is amended to read as follows:

(b) The application must include:

(1) a certified copy of the ordinance or order, as appropriate, nominating the area as an enterprise zone;

(2) a map of the area showing existing streets and highways, in a paper format and in an electronic format suitable for the Internet;

(3) an analysis and appropriate supporting documents and statistics demonstrating that the area qualifies for

1 designation as an enterprise zone;

2 (4) a statement that specifies each tax incentive,
3 grant, other financial incentive or benefit, or program to be
4 provided by the nominating body to business enterprises in the area
5 that is not to be provided throughout the governmental entity or
6 entities nominating the area as an enterprise zone;

7 (5) a statement of the economic development and
8 planning objectives for the area;

9 (6) a description of the functions, programs, and
10 services to be performed by a neighborhood enterprise association
11 in the area;

12 (7) an estimate of the economic impact of the
13 designation of the area as an enterprise zone on the revenues of the
14 governmental entity or entities nominating the area as an
15 enterprise zone, considering all the financial incentives and
16 benefits and the programs contemplated;

17 (8) a transcript or tape recording of all public
18 hearings on the proposed zone;

19 (9) if the application is a joint application, a
20 description and copy of the agreement between the applicants;

21 (10) the procedures for negotiating with residents,
22 community groups, and other entities affected by the designation of
23 the area as an enterprise zone and with qualified businesses in the
24 area;

25 (11) a description of the administrative authority, if
26 one is to be appointed for the enterprise zone under Section
27 2303.202; and

(12) any additional information the department requires.

SECTION 3. Section 2303.110(e), Government Code, is amended to read as follows:

(e) For each amendment of an enterprise zone boundary, the nominating body shall pay the department a reasonable fee, in an amount specified by the department, not to exceed \$1,000 [~~\$500~~]. The department may use fees collected under this subsection to administer this chapter and for other purposes to advance this chapter.

SECTION 4. Section 2303.406, Government Code, is amended by amending Subsection (a) and adding Subsection (e) to read as follows:

(a) The department may designate a business as an enterprise project only if the department determines that:

(1) the business is a qualified business under Section 2303.402 that is located in or has made a substantial commitment to locate in an enterprise zone described by Section 2303.404(b);

(2) the governing body of the enterprise zone making the application has demonstrated that a high level of cooperation exists among public, private, and neighborhood entities in the zone;

(3) the designation will contribute significantly to the achievement of the plans of the governing body making the application for development and revitalization of the zone; and

(4) if the business is seeking job retention benefits:

(A) [~~the~~] permanent employees of the business are

1 substantially likely to ~~[will]~~ be permanently laid off;

2 (B) the business is substantially likely to
3 ~~[will]~~ close down permanently;

4 (C) the business is substantially likely to
5 ~~[will]~~ relocate out-of-state;

6 (D) a 10 percent increase in the production
7 capacity of the business will occur;

8 (E) a 10 percent decrease in overall cost per
9 unit produced will occur; ~~[or]~~

10 (F) the business facility has been legitimately
11 destroyed or impaired because of fire, flood, tornado, hurricane,
12 or any other natural disaster; or

13 (G) the business facility is both adding a new
14 business line or product and deleting or decreasing an existing
15 business line or product, and the designation will prevent the
16 facility's net production capacity from decreasing.

17 (e) The department may designate multiple concurrent
18 enterprise projects in the same enterprise zone.

19 SECTION 5. This Act takes effect September 1, 2003, and
20 applies only to an application submitted under Chapter 2303,
21 Government Code, as amended by this Act, on or after that date.