

By: Madla, et al.

S.B. No. 15

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the use of appropriations in the Smart Jobs Fund as
3 business location incentives; making an appropriation.

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

5 SECTION 1. LEGISLATIVE FINDINGS. The legislature finds
6 that the use of public funds for the purpose of awarding grants as
7 business location incentives for the diversification of the
8 economy, the elimination of unemployment or underemployment, or the
9 development or expansion of transportation or commerce is in the
10 public interest and serves a public purpose of the state.

11 SECTION 2. BUSINESS LOCATION INCENTIVES. (a) The Texas
12 Department of Economic Development is authorized to make grants to
13 local governmental entities within Texas for the purpose of
14 diversifying the economy, reducing unemployment or
15 underemployment, or developing or expanding transportation or
16 commerce. The department must develop procedures or adopt rules to
17 implement this Act.

18 (b) From the amounts appropriated by Chapter 637, Acts of
19 the 77th Legislature, Regular Session, 2001, and Chapter 1515, Acts
20 of the 77th Legislature, Regular Session, 2001 (the General
21 Appropriations Act), from Smart Jobs Fund No. 891 to the Texas
22 Department of Economic Development in connection with the smart
23 jobs fund program, the department is authorized to expend the
24 unencumbered amount of \$15,000,000 during the remainder of the

1 fiscal year ending August 31, 2003, for business location
2 incentives.

3 (c) If the Texas Department of Economic Development is not
4 abolished on September 1, 2003, by operation of Chapter 325,
5 Government Code (Texas Sunset Act), the unexpended balance of funds
6 described by Subsection (b) of this section remaining at the end of
7 the fiscal year ending August 31, 2003, is appropriated from Smart
8 Jobs Fund No. 891 to the Texas Department of Economic Development
9 for the fiscal year beginning September 1, 2003, for business
10 location incentives. The total amount of funds appropriated from
11 Smart Jobs Fund No. 891 under this subsection and Subsection (b) of
12 this section may not exceed \$15,000,000.

13 (d) A grant awarded under this section is contingent on the
14 recipient meeting certain criteria relating to the purposes for
15 which the grant is made. Before awarding a grant under this
16 section, the Texas Department of Economic Development must enter
17 into a written agreement with the local governmental entity being
18 awarded the grant specifying that:

19 (1) if all or any portion of the amount of the grant is
20 used to build infrastructure or make any other type of capital
21 improvement, the state must:

22 (A) retain a lien or other interest in the
23 capital improvement in proportion to the percentage of the grant
24 amount used to pay for the capital improvement; and

25 (B) ensure that if the capital improvement is
26 sold, the grant recipient repays the department, with interest at
27 the agreed rate and terms, any state money used to pay for the

1 capital improvement and shares with this state a proportionate
2 amount of any profit realized from the sale; and

3 (2) if, upon the expiration of a date provided in the
4 agreement, the grant recipient fails to use an amount awarded under
5 this section for any of the purposes for which the grant was
6 intended, the recipient shall repay that amount and any related
7 interest to the state at the agreed rate and terms.

8 (e) If the Texas Department of Economic Development is
9 abolished on September 1, 2003, by operation of Chapter 325,
10 Government Code (Texas Sunset Act), the unexpended balance of funds
11 described by Subsection (b) of this section remaining at the end of
12 the fiscal year ending August 31, 2003, shall be transferred to an
13 appropriate state agency designated by the governor to be used for
14 the purposes and in the manner described by this Act. The total
15 amount of funds appropriated from Smart Jobs Fund No. 891 under this
16 subsection and Subsection (b) of this section may not exceed
17 \$15,000,000.

18 SECTION 3. EFFECTIVE DATE. This Act takes effect
19 immediately if it receives a vote of two-thirds of all the members
20 elected to each house, as provided by Section 39, Article III, Texas
21 Constitution. If this Act does not receive the vote necessary for
22 immediate effect, this Act takes effect September 1, 2003.