

By: Madla

S.B. No. 403

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the designation of enterprise zones and enterprise
3 projects.

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

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

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

11 (1) review the application; and

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

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

17 (b) The application must include:

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

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

23 (3) an analysis and appropriate supporting documents
24 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

1 (12) any additional information the department
2 requires.

3 SECTION 3. Section 2303.109(b), Government Code, is amended
4 to read as follows:

5 (b) Notwithstanding Subsection (a), an area designated as a
6 renewal community [~~federal enterprise zone~~], federal empowerment
7 zone, including developable areas, or federal enterprise community
8 may be designated as an enterprise zone without further
9 qualification for longer than seven years but not longer than the
10 period permitted by federal law.

11 SECTION 4. Section 2303.110(e), Government Code, is amended
12 to read as follows:

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

19 SECTION 5. Section 2303.112, Government Code, is amended to
20 read as follows:

21 Sec. 2303.112. EXCEPTION TO LIMIT ON DESIGNATION.
22 Designation as an enterprise zone under this chapter of an area
23 designated as a renewal community [~~federal enterprise zone~~],
24 federal empowerment zone, including developable areas, or federal
25 enterprise community located in a municipality or county does not
26 reduce the number of enterprise zones that the municipality or
27 county may have designated under this chapter.

1 SECTION 6. Section 2303.404(b), Government Code, is amended
2 to read as follows:

3 (b) A request may be made under this section only to the
4 governing body of an enterprise zone that ~~has~~:

5 (1) has an unemployment rate that is at least one and
6 one-half times the state average; ~~or~~

7 (2) has a population loss of at least:

8 (A) 12 percent during the most recent six-year
9 period; or

10 (B) four percent during the most recent
11 three-year period; or

12 (3) is an area designated as a renewal community,
13 federal empowerment zone, including developable areas, or federal
14 enterprise community.

15 SECTION 7. Section 2303.406, Government Code, is amended by
16 amending Subsection (a) and adding Subsection (e) to read as
17 follows:

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

20 (1) the business is a qualified business under Section
21 2303.402 that is located in or has made a substantial commitment to
22 locate in an enterprise zone described by Section 2303.404(b);

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

27 (3) the designation will contribute significantly to

1 the achievement of the plans of the governing body making the
2 application for development and revitalization of the zone; and

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

4 (A) ~~the~~ permanent employees of the business are
5 substantially likely to ~~will~~ be permanently laid off;

6 (B) the business is substantially likely to
7 ~~will~~ close down permanently;

8 (C) the business is substantially likely to
9 ~~will~~ relocate out-of-state;

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

12 (E) a 10 percent decrease in overall cost per
13 unit produced will occur; ~~or~~

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

17 (G) the business facility is both adding a new
18 business line or product and deleting or decreasing an existing
19 business line or product, and the designation will prevent the
20 facility's net production capacity from decreasing.

21 (e) The department may designate multiple concurrent
22 enterprise projects in the same enterprise zone and may designate
23 the same qualified business as more than one enterprise project.

24 SECTION 8. (a) This Act takes effect September 1, 2003,
25 and, except as provided by Subsection (b) of this section, applies
26 only to an application submitted under Chapter 2303, Government
27 Code, as amended by this Act, on or after that date.

1 (b) The change in law made by this Act to Section 2303.406,
2 Government Code, applies only to an application submitted under
3 Chapter 2303, Government Code, as amended by this Act, on or after
4 January 1, 2002.