

By: Brimer

S.B. No. 659

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the creation of the economic development coordinator;
3 the abolition of the Texas Department of Economic Development and
4 the transfer of its functions to the economic development
5 coordinator; and the establishment of economic and business
6 development programs to be administered by the economic development
7 coordinator.

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

9 ARTICLE 1. CREATION OF ECONOMIC DEVELOPMENT COORDINATOR;
10 ABOLITION OF TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT AND TRANSFER
11 OF FUNCTIONS TO ECONOMIC DEVELOPMENT COORDINATOR

12 SECTION 1.01. The heading to Chapter 481, Government Code,
13 is amended to read as follows:

14 CHAPTER 481. [~~TEXAS DEPARTMENT OF~~] ECONOMIC DEVELOPMENT
15 COORDINATOR

16 SECTION 1.02. Section 481.001, Government Code, is amended
17 by adding Subdivisions (5) and (6) to read as follows:

18 (5) "Coordinator" means the economic development
19 coordinator.

20 (6) "Identified potential new prospect" means a
21 business identified as a potential new prospect under Section
22 481.142.

23 SECTION 1.03. Section 481.002, Government Code, is amended
24 to read as follows:

1 Sec. 481.002. ESTABLISHMENT; PURPOSE [~~DEPARTMENT~~]. (a)
2 The economic development coordinator [~~Texas Department of Economic~~
3 ~~Development~~] is established as a position in the office of the
4 governor [~~an agency of the state~~].

5 (b) The coordinator shall direct business development
6 initiative efforts in this state.

7 (c) The main mission of the coordinator is job creation.

8 SECTION 1.04. Subchapter A, Chapter 481, Government Code,
9 is amended by adding Section 481.0021 to read as follows:

10 Sec. 481.0021. APPOINTMENT. The governor shall appoint the
11 coordinator to serve a two-year term.

12 SECTION 1.05. Section 481.003, Government Code, is amended
13 to read as follows:

14 Sec. 481.003. SUNSET PROVISION. The economic development
15 coordinator [~~Texas Department of Economic Development~~] is subject
16 to Chapter 325 (Texas Sunset Act). Unless continued in existence as
17 provided by that chapter, the position of the coordinator
18 [~~department~~] is abolished and this chapter expires September 1,
19 2015 [~~2003~~].

20 SECTION 1.06. Sections 481.0042(a), (b), and (e),
21 Government Code, are amended to read as follows:

22 (a) A person may not serve as the coordinator [~~a public~~
23 ~~member of the governing board~~] or be [~~the executive director or~~] an
24 employee of the coordinator [~~department~~] if the person:

25 (1) is employed by, participates in the management of,
26 or is a paid consultant of a business entity that contracts with the
27 coordinator [~~department~~];

1 (2) owns or controls, directly or indirectly, more
2 than a 10 percent interest in a business entity or other
3 organization that contracts with the coordinator [~~department~~];

4 (3) uses or receives a substantial amount of tangible
5 goods, services, or funds from the coordinator [~~department~~], other
6 than compensation or reimbursement authorized by law for employee
7 salaries and benefits [~~or for governing board membership,~~
8 ~~attendance, and expenses~~]; or

9 (4) is an officer, employee, or paid consultant of a
10 trade association of businesses that contracts with the coordinator
11 [~~department~~].

12 (b) A person may not serve as the coordinator [~~a public~~
13 ~~member of the governing board~~] or be [~~the executive director or~~] an
14 employee of the coordinator [~~department~~] if the person's spouse:

15 (1) participates in the management of or is a paid
16 consultant of a business entity that contracts with the coordinator
17 [~~department~~];

18 (2) owns or controls, directly or indirectly, more
19 than a 10 percent interest in a business entity or other
20 organization that contracts with the coordinator [~~department~~];

21 (3) uses or receives a substantial amount of tangible
22 goods, services, or funds from the coordinator [~~department~~]; or

23 (4) is an officer, manager, or paid consultant of a
24 trade association of businesses that contracts with the coordinator
25 [~~department~~].

26 (e) A person may not be the coordinator [~~a member of the~~
27 ~~governing board or the executive director~~] or an employee of the

1 coordinator [~~department~~] if the person is required to register as a
2 lobbyist under Chapter 305 because of the person's activities for
3 compensation on behalf of a business entity that has an interest in
4 a contract with the coordinator [~~department~~] or a profession
5 related to the operation of the coordinator [~~department~~].

6 SECTION 1.07. Sections 481.0044(a), (d), (e), and (f),
7 Government Code, are amended to read as follows:

8 (a) The coordinator [~~governing board~~] shall adopt rules
9 necessary for the administration of the coordinator's [~~department~~]
10 programs [~~and may adopt rules for its internal management and~~
11 ~~control~~].

12 (d) The coordinator [~~governing board~~] shall report to the
13 governor annually and to the legislature at each regular session on
14 the coordinator's [~~department's~~] activities. The report must
15 include:

16 (1) a description of the activities of the coordinator
17 [~~governing board and the department~~] during the preceding calendar
18 year;

19 (2) a description of the efforts of the coordinator
20 [~~governing board and the department~~] to promote and market the
21 coordinator's [~~department's~~] economic development programs and
22 services, including the Texas Business and Community Economic
23 Development Clearinghouse;

24 (3) a description of the efforts of the coordinator
25 [~~governing board and the department~~] to obtain federal and private
26 funding to accomplish the goals of the coordinator [~~department~~];

27 (4) recommendations to the legislature on issues

1 related to economic development and the business climate of the
2 state; and

3 (5) an assessment of the effectiveness of the
4 agreements executed under Section 481.028(b).

5 (e) In addition to the information required by Subsection
6 (d), the coordinator [~~governing board~~] shall include in the report
7 under that subsection:

8 (1) a listing of the properties in this state that are
9 compiled and reported to the coordinator [~~department~~] under Section
10 23.03, Tax Code;

11 (2) a listing of the school districts in this state,
12 classified according to the categories established by Sections
13 313.022 and 313.052, Tax Code;

14 (3) a listing of prospective projects identified by
15 the coordinator [~~business development division of the department~~]
16 that proposed to invest at least \$100 million in this state,
17 including prospective projects that worked with the coordinator
18 [~~department~~] or of which the coordinator [~~department~~] was aware but
19 that located in another state or country;

20 (4) information identifying the other state or country
21 in which a prospective project located and stating the primary
22 reason identified by the coordinator [~~department~~] that the
23 prospective project did not locate in this state; and

24 (5) an assessment as to the effectiveness of the
25 incentives provided by Chapter 313, Tax Code, accompanied by
26 information on the number of agreements entered into by school
27 districts under that chapter during the preceding biennium, a

1 description of each project covered by an agreement, and the
2 details of the agreement.

3 (f) The comptroller shall assist the coordinator [~~governing~~
4 ~~board and the department~~] in complying with Subsection (e).

5 SECTION 1.08. Section 481.0065(a), Government Code, is
6 amended to read as follows:

7 (a) The coordinator [~~department~~] shall:

8 (1) establish and maintain an Office of Defense
9 Affairs; and

10 (2) appoint a director to manage the Office of Defense
11 Affairs.

12 SECTION 1.09. Sections 481.0068(a) and (e), Government
13 Code, are amended to read as follows:

14 (a) The Office of Small Business Assistance is an office
15 within the governor's office under the direction of the coordinator
16 [~~department~~] and shall be headed by a small business advocate
17 designated by the governor. To be eligible to serve as the small
18 business advocate, a person must have demonstrated a strong
19 commitment to and involvement in small business efforts.

20 (e) Not later than October 15 of each even-numbered year,
21 the coordinator [~~department~~] shall submit to the governor[~~7~~
22 ~~governing board~~] and the legislature a report containing specific
23 information regarding each of the functions performed by the Office
24 of Small Business Assistance, including recommendations regarding
25 issues that affect small businesses of the state.

26 SECTION 1.10. Section 481.007, Government Code, is amended
27 to read as follows:

1 Sec. 481.007. ADVISORY COMMITTEES. The coordinator
2 [~~executive director or the governing board~~] may appoint advisory
3 committees to assist the coordinator [~~executive director or the~~
4 ~~governing board~~] in the performance of the coordinator's [~~their~~]
5 duties. A member of an advisory committee appointed by the
6 coordinator [~~executive director or the governing board~~] may not
7 receive compensation for service on the advisory committee. A
8 member appointed under this section is entitled to receive
9 reimbursement, subject to any applicable limitation on
10 reimbursement provided by the General Appropriations Act, for
11 actual and necessary expenses included in performing service as a
12 member of the advisory committee.

13 SECTION 1.11. Section 481.008, Government Code, is amended
14 to read as follows:

15 Sec. 481.008. AUDIT. (a) The financial transactions of the
16 coordinator [~~department~~] are subject to audit by:

17 (1) the state auditor in accordance with Chapter 321;

18 or

19 (2) a private auditing firm.

20 (b) The state auditor shall inform the governor [~~presiding~~
21 ~~officer of the governing board~~] when a financial audit of the
22 coordinator [~~department~~] is not included in the audit plan for the
23 state for a fiscal year. The governor [~~governing board~~] shall
24 ensure that the coordinator [~~department~~] is audited under
25 Subsection (a)(2) during those fiscal years.

26 SECTION 1.12. Section 481.010, Government Code, is amended
27 to read as follows:

1 Sec. 481.010. PERSONNEL. (a) The coordinator [~~executive~~
2 ~~director~~] shall employ personnel necessary for the performance of
3 the coordinator's [~~department~~] functions. In addition to other
4 personnel, the coordinator [~~executive director~~] shall employ a
5 human rights officer and an internal auditor. The internal auditor
6 shall report directly to the coordinator [~~governing board~~] and may
7 consult with the coordinator [~~executive director~~] or the
8 coordinator's [~~executive director's~~] designee.

9 (b) The coordinator [~~executive director~~] shall provide to
10 the coordinator's [~~governing board members and department~~]
11 employees, as often as necessary, information regarding their
12 qualifications for [~~office or~~] employment under this chapter and
13 their responsibilities under applicable laws relating to standards
14 of conduct for state [~~officers or~~] employees.

15 (c) The coordinator [~~governing board and executive~~
16 ~~director~~] shall [~~jointly~~] develop and implement policies that
17 clearly define the [~~respective~~] responsibilities of the
18 coordinator's [~~members of the governing board and the executive~~
19 ~~director and~~] staff [~~of the department~~] in accordance with this
20 chapter.

21 (d) The coordinator [~~executive director~~] or the
22 coordinator's [~~executive director's~~] designee shall develop an
23 intraagency career ladder program. The program shall require
24 intraagency postings of all non-entry-level positions concurrently
25 with any public posting.

26 (e) The coordinator [~~executive director~~] or the
27 coordinator's [~~executive director's~~] designee shall develop a

1 system of annual performance evaluations. All merit pay for
2 ~~[department]~~ employees of the coordinator must be based on the
3 system established under this subsection.

4 (f) The coordinator ~~[executive director]~~ or the
5 coordinator's ~~[executive director's]~~ designee shall prepare and
6 maintain a written policy statement to assure implementation of a
7 program of equal employment opportunity under which all personnel
8 transactions are made without regard to race, color, disability ,
9 sex, religion, age, or national origin. The policy statement must
10 include:

11 (1) personnel policies, including policies relating
12 to recruitment, evaluation, selection, appointment, training, and
13 promotion of personnel that are in compliance with requirements of
14 the Commission on Human Rights;

15 (2) a comprehensive analysis of the coordinator's
16 ~~[department]~~ work force that meets federal and state guidelines;

17 (3) procedures by which a determination can be made of
18 significant underuse in the coordinator's ~~[department]~~ work force
19 of all persons for whom federal or state guidelines encourage a more
20 equitable balance; and

21 (4) reasonable methods to appropriately address those
22 areas of significant underuse.

23 (g) A policy statement prepared under Subsection (f) must
24 cover an annual period, be updated annually and reviewed by the
25 Commission on Human Rights for compliance with Subsection (f)(1) ~~[~~
26 ~~and be filed with the governor's office]~~.

27 (h) The governor's office shall deliver a biennial report to

1 the legislature based on the information prepared [~~received~~] under
2 Subsection (g). The report may be made separately or as a part of
3 other biennial reports made to the legislature.

4 SECTION 1.13. Section 481.011, Government Code, is amended
5 to read as follows:

6 Sec. 481.011. FISCAL REPORT. The coordinator [~~executive~~
7 ~~director~~] shall file annually with the governor and the presiding
8 officer of each house of the legislature a complete and detailed
9 written report accounting for all funds received and disbursed by
10 the coordinator [~~department~~] during the preceding fiscal year. The
11 annual report must be in the form and reported in the time provided
12 by the General Appropriations Act.

13 SECTION 1.14. Section 481.012, Government Code, is amended
14 to read as follows:

15 Sec. 481.012. PUBLIC INTEREST INFORMATION AND COMPLAINTS.

16 (a) The coordinator [~~department~~] shall prepare information of
17 public interest describing the functions of the coordinator
18 [~~department~~] and the coordinator's [~~department's~~] procedures by
19 which complaints are filed with and resolved by the coordinator
20 [~~department~~]. The coordinator [~~department~~] shall make the
21 information available to the public and appropriate state agencies.

22 (b) The coordinator [~~department~~] shall keep an information
23 file about each complaint filed with the coordinator [~~department~~]
24 that the coordinator [~~department~~] has authority to resolve. If a
25 written complaint is filed with the coordinator [~~department~~] that
26 the coordinator [~~department~~] has authority to resolve, the
27 coordinator [~~department~~], at least quarterly and until final

1 disposition of the complaint, shall notify the parties to the
2 complaint of the status of the complaint unless the notice would
3 jeopardize an undercover investigation.

4 (c) The coordinator [~~governing board~~] shall prepare and
5 maintain a written plan that describes how a person who does not
6 speak English can be provided reasonable access to the
7 coordinator's [~~department's~~] programs. The coordinator [~~governing
8 board~~] shall also comply with federal and state laws for program and
9 facility accessibility.

10 (d) The coordinator [~~governing board~~] by rule shall
11 establish methods by which consumers and service recipients are
12 notified of the name, mailing address, and telephone number of the
13 coordinator [~~department~~] for the purpose of directing complaints to
14 the coordinator [~~department~~].

15 SECTION 1.15. The heading to Subchapter B, Chapter 481,
16 Government Code, is amended to read as follows:

17 SUBCHAPTER B. GENERAL POWERS AND DUTIES OF COORDINATOR
18 [~~DEPARTMENT~~]

19 SECTION 1.16. Section 481.021, Government Code, is amended
20 to read as follows:

21 Sec. 481.021. GENERAL POWERS OF COORDINATOR [~~DEPARTMENT~~].

22 (a) The coordinator [~~department~~] may:

23 (1) adopt and enforce rules necessary to carry out
24 this chapter;

25 (2) adopt and use an official seal;

26 (3) accept gifts, grants, or loans from and contract
27 with any entity;

1 (4) sue and be sued;

2 (5) acquire and convey property or an interest in
3 property;

4 (6) procure insurance and pay premiums on insurance of
5 any type, in accounts, and from insurers as the coordinator
6 [~~department~~] considers necessary and advisable to accomplish any of
7 the coordinator's [~~department's~~] purposes;

8 (7) hold patents, copyrights, trademarks, or other
9 evidence of protection or exclusivity issued under the laws of the
10 United States, any state, or any nation and may enter into license
11 agreements with any third parties for the receipt of fees,
12 royalties, or other monetary or nonmonetary value;

13 (8) sell advertisements in any medium; and

14 (9) exercise any other power necessary to carry out
15 this chapter.

16 (b) Except as otherwise provided by this chapter, money paid
17 to the coordinator [~~department~~] under this chapter shall be
18 deposited in the state treasury.

19 (c) The coordinator [~~department~~] shall deposit
20 contributions from private sources in a separate fund kept and held
21 in escrow and in trust by the comptroller for and on behalf of the
22 coordinator [~~department~~] as funds held outside the treasury under
23 Section 404.073, and the money contributed shall be used to carry
24 out the purposes of the coordinator [~~department~~] and, to the extent
25 possible, the purposes specified by the donors. The comptroller
26 may invest and reinvest the money, pending its use, in the fund in
27 investments authorized by law for state funds that the comptroller

1 considers appropriate.

2 SECTION 1.17. Subchapter B, Chapter 481, Government Code,
3 is amended by adding Section 481.0215 to read as follows:

4 Sec. 481.0215. COORDINATION OF ECONOMIC DEVELOPMENT
5 EFFORTS. (a) The coordinator shall work with the legislature and
6 state agencies to identify grants and programs at all levels of
7 government and to maximize access to federal funds for economic
8 development.

9 (b) At the direction of the governor, the coordinator shall
10 work with each state agency that administers a program relating to
11 job training or job creation, including the Texas Workforce
12 Commission, the Department of Agriculture, and the Office of Rural
13 Affairs, to address the challenges facing the agencies relating to
14 job training and job creation.

15 (c) The coordinator shall direct the Texas Economic
16 Development Corporation to form partnerships or enter into
17 agreements with private entities and develop connections with
18 existing businesses in this state for the purpose of improving the
19 marketing of this state through networking and clarifying the
20 potential of the businesses for expansion.

21 SECTION 1.18. Section 481.022, Government Code, is amended
22 to read as follows:

23 Sec. 481.022. GENERAL DUTIES OF COORDINATOR [~~DEPARTMENT~~].

24 The coordinator [~~department~~] shall:

25 (1) facilitate the location, expansion, and retention
26 of domestic and international business investment to the state;

27 (2) provide statewide toll-free information and

1 referrals for business and community economic development;

2 (3) promote and administer business and community
3 economic development programs and services in the state;

4 (4) provide to businesses in the state assistance with
5 exporting products and services to international markets;

6 (5) promote the state as a premier tourist and
7 business travel destination;

8 (6) provide businesses and local communities with
9 timely and useful research and data services;

10 (7) aggressively market and promote the business
11 climate in the state and the state economic development business
12 assistance programs and services through the use of available media
13 and resources, including the Internet; and

14 (8) seek funding of the coordinator's ~~[department]~~
15 programs and activities from federal, state, and private sources.

16 SECTION 1.19. Section 481.023, Government Code, is amended
17 to read as follows:

18 Sec. 481.023. ADMINISTRATION OF OTHER STATUTES. (a) The
19 coordinator ~~[department]~~ shall perform the administrative duties
20 assigned to the Texas Department of Economic Development
21 ~~[prescribed]~~ under:

22 (1) Chapter 1433; and

23 (2) the Development Corporation Act of 1979 (Article
24 5190.6, Vernon's Texas Civil Statutes).

25 (b) The coordinator ~~[department]~~ shall perform the
26 administrative duties formerly assigned to the Texas Department of
27 Economic Development, the Texas Economic Development Commission,

1 and the Enterprise Zone Board under Chapter 2303.

2 (c) The coordinator [~~department~~] may not use money from the
3 general revenue fund to support the Texas leverage fund.

4 SECTION 1.20. Section 481.0231, Government Code, is amended
5 to read as follows:

6 Sec. 481.0231. DEVELOPMENT CORPORATION TRAINING SEMINAR.

7 (a) The coordinator [~~department~~], in conjunction with the attorney
8 general and the comptroller, shall by rule develop a training
9 seminar to ensure that the officers of a corporation created by a
10 municipality or county under, and the officials of the municipality
11 or county that created a corporation under, the Development
12 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
13 Statutes) properly and legally operate the corporation and
14 administer a tax imposed for the benefit of the corporation.

15 (b) The coordinator [~~department~~] may include in the seminar
16 any information regarding training programs offered by the
17 coordinator [~~department~~], the attorney general, or the comptroller
18 that would assist a person attending the seminar with the operation
19 and administration of a development corporation.

20 (c) The coordinator [~~department~~] shall issue a certificate
21 of completion to each person who completes the training seminar.

22 (d) The coordinator [~~department~~] shall hold the training
23 seminars in different regions in the state for the convenience of
24 persons required to complete the training seminar under Section 39,
25 Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas
26 Civil Statutes).

27 (e) The coordinator [~~department~~] may enter into an

1 agreement for the provision of a training seminar developed under
2 this section by any person determined by the coordinator
3 [~~department~~] to be qualified to provide the training seminar. A
4 person who provides a training seminar under this subsection may
5 charge a reasonable fee for attending the seminar.

6 SECTION 1.21. Section 481.024, Government Code, is amended
7 by amending Subsections (a), (e), and (f), and adding Subsections
8 (g) and (h) to read as follows:

9 (a) The Texas Economic Development Corporation on behalf of
10 the state shall carry out the public purposes of this chapter. The
11 creation of the corporation does not limit or impair the rights,
12 powers, and duties of the coordinator [~~department~~] provided by this
13 chapter. The corporate existence of the Texas Economic Development
14 Corporation begins on the issuance of a certificate of
15 incorporation by the secretary of state. The coordinator shall
16 appoint [~~members of the governing board serve ex officio as~~] the
17 board of directors of the corporation. The corporation has the
18 powers and is subject to the limitations provided for the
19 coordinator [~~department~~] by this chapter in carrying out the public
20 purposes of this chapter. The corporation has the rights and powers
21 of a nonprofit corporation incorporated under the Texas Non-Profit
22 Corporation Act (Article 1396-1.01 et seq., Vernon's Texas Civil
23 Statutes) except to the extent inconsistent with this section. The
24 corporation may contract with the coordinator [~~department~~] and with
25 bond counsel, financial advisors, or underwriters as its board of
26 directors considers necessary.

27 (e) If the board of directors by resolution determines that

1 the purposes for which the corporation was formed have been
2 substantially complied with and that all bonds issued by the
3 corporation have been fully paid, the board of directors shall
4 dissolve the corporation. On dissolution, the title to all funds
5 and properties then owned by the corporation shall be transferred
6 to the coordinator [~~department~~].

7 (f) The Texas Economic Development Corporation and any
8 other corporation whose charter specifically dedicates the
9 corporation's activities to the benefit of the economic development
10 coordinator or the Texas Department of Economic Development or its
11 predecessor agency shall file an annual report of the financial
12 activity of the corporation. The annual report shall be filed prior
13 to the 90th day after the last day for the corporation's fiscal year
14 and shall be prepared in accordance with generally accepted
15 accounting principles. The report must include a statement of
16 support, revenue, and expenses and change in fund balances, a
17 statement of functional expenses, and balance sheets for all funds.

18 (g) The board of directors shall comply with the
19 coordinator's directions.

20 (h) The corporation is a state agency for purposes of
21 Chapter 321 and a governmental body for purposes of Chapters 551 and
22 552.

23 SECTION 1.22. Section 481.025, Government Code, is amended
24 to read as follows:

25 Sec. 481.025. EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY
26 PROGRAM. The coordinator [~~department~~] is [~~the agency of this~~
27 ~~state~~] responsible for administering the Empowerment Zone and

1 Enterprise Community grant program in this state. The coordinator
2 [~~department~~] shall cooperate with appropriate federal and local
3 agencies as necessary to administer the grant program.

4 SECTION 1.23. Sections 481.027(a)-(e), Government Code,
5 are amended to read as follows:

6 (a) The coordinator [~~department~~] shall maintain and operate
7 offices in foreign countries for the purposes of promoting
8 investment that generates jobs in Texas, exporting of Texas
9 products, tourism, and international relations for Texas. The
10 offices shall be named "The State of Texas" offices. To the extent
11 permitted by law, [~~other~~] state agencies that conduct business in
12 foreign countries may place staff in the offices established by the
13 coordinator [~~department~~] and share the overhead and operating
14 expenses of the offices. State [~~Other state~~] agencies and the
15 coordinator [~~department~~] may enter interagency contracts for this
16 purpose. Chapter 771 does not apply to those contracts. Any
17 purchase for local procurement or contract in excess of \$5,000
18 shall be approved by the coordinator [~~executive director~~] prior to
19 its execution.

20 (b) The offices shall be accessible to Texas-based
21 institutions of higher education and their nonprofit affiliates for
22 the purposes of fostering Texas science, technology, and research
23 development, international trade and investment, and cultural
24 exchange. The coordinator [~~department~~] and the institutions may
25 enter contracts for this purpose. Chapter 771 does not apply to
26 those contracts.

27 (c) The coordinator [~~department~~] shall maintain regional

1 offices in locations specified in the General Appropriations Act.

2 (d) The coordinator [~~department~~] may collect fees for the
3 use of the offices from public and private entities except that any
4 payments by a state agency are governed by any interagency contract
5 under Subsection (a). The fees may be used only to expand, develop,
6 and operate offices under this section.

7 (e) Chapter 2175 applies to the operation and maintenance of
8 the offices. No other provisions of Subtitle D, Title 10, apply to
9 the operation and maintenance of the offices, or to transactions of
10 the coordinator [~~department~~] that are authorized by this section.

11 SECTION 1.24. Sections 481.028(a), (b), and (d), Government
12 Code, are amended to read as follows:

13 (a) The coordinator [~~department~~] shall initiate
14 negotiations for and enter into a memorandum of understanding with
15 any [~~other~~] state agency involved in economic development to
16 cooperate in program planning and budgeting.

17 (b) The coordinator [~~department~~] shall enter into an
18 agreement as required by Subsection (a) with the:

19 (1) Department of Agriculture regarding [~~each~~
20 ~~agency's~~] international marketing efforts and business finance
21 programs;

22 (2) Texas Workforce Commission regarding the skills
23 development fund, and the dissemination of employment-related
24 data, statistics, and analyses, and the use of field offices to
25 distribute information of interest to businesses and communities in
26 the state [~~, including applications for Smart Jobs grants~~];

27 (3) General Land Office regarding [~~each agency's~~]

1 rural economic development efforts;

2 (4) Texas Department of Housing and Community Affairs
3 regarding ~~[each agency's]~~ community development programs;

4 (5) ~~[Texas Department of Transportation and Parks and
5 Wildlife Department regarding each agency's efforts to promote
6 tourism;~~

7 ~~[(6)]~~ Texas ~~[Natural Resource Conservation]~~ Commission
8 on Environmental Quality regarding small business finance and
9 permits, the marketing of recyclable products, and business
10 permits;

11 (6) ~~[(7)]~~ office of the comptroller regarding the
12 dissemination of economic data, statistics, and analyses and the
13 use of field offices to distribute information to businesses and
14 local communities in the state;

15 (7) ~~[(8)]~~ Texas Historical Commission regarding
16 community preservation, restoration, and revitalization;

17 (8) ~~[(9)]~~ Texas Building and Procurement ~~[General
18 Services]~~ Commission regarding providing procurement information,
19 certification, and technical assistance to small and historically
20 underutilized businesses;

21 (9) ~~[(10)]~~ Alternative Fuels Council regarding the
22 promotion of alternative fuels;

23 (10) ~~[(11)]~~ institutions of higher education
24 regarding work force development, literacy, and technology
25 transfer; and

26 (11) ~~[(12)]~~ Texas Agricultural Finance Authority
27 regarding the marketing and promotion of the programs administered

1 by the authority.

2 (d) The memorandum of understanding between the coordinator
3 [~~department~~] and the [~~other~~] state agency shall be adopted as a rule
4 of the coordinator and the [~~each department or~~] agency.

5 SECTION 1.25. Section 481.029, Government Code, is amended
6 to read as follows:

7 Sec. 481.029. COST RECOVERY. The coordinator [~~department~~]
8 shall recover the cost of providing direct technical assistance,
9 management training services, and other services to businesses and
10 communities when reasonable and practical.

11 SECTION 1.26. Section 481.043, Government Code, is amended
12 to read as follows:

13 Sec. 481.043. GENERAL POWERS AND DUTIES RELATING TO
14 INTERNATIONAL TRADE. The coordinator [~~department~~] shall:

15 (1) provide businesses in the state with technical
16 assistance, information, and referrals related to the export of
17 products and services, including export finance and international
18 business practices;

19 (2) coordinate the representation of exporters in the
20 state at international trade shows, missions, marts, seminars, and
21 other appropriate promotional venues;

22 (3) cooperate and act in conjunction with other public
23 and private organizations to promote and advance export trade
24 activities in this state; and

25 (4) disseminate trade leads to exporters in the state
26 through the use of the Internet and other available media.

27 SECTION 1.27. Section 481.045, Government Code, is amended

1 to read as follows:

2 Sec. 481.045. POWERS TO BE INTERPRETED BROADLY. The powers
3 of the coordinator [~~department~~] provided by this subchapter shall
4 be interpreted broadly to effect the purposes of this subchapter.
5 The grant of powers under this subchapter is not a limitation of
6 other powers of the coordinator [~~department~~].

7 SECTION 1.28. Section 481.047, Government Code, is amended
8 to read as follows:

9 Sec. 481.047. CONFIDENTIALITY. Information collected by
10 the coordinator [~~department~~] concerning the identity, background,
11 finance, marketing plans, trade secrets, or other commercially
12 sensitive information of a lender or export business is
13 confidential unless the lender or export business consents to
14 disclosure of the information.

15 SECTION 1.29. Section 481.071, Government Code, is amended
16 to read as follows:

17 Sec. 481.071. LEGISLATIVE FINDINGS. The legislature finds
18 that:

19 (1) the coordinator [~~department~~] should focus
20 business development efforts on rural areas, the border region, and
21 small business;

22 (2) the measures authorized by this subchapter and the
23 assistance provided by this subchapter, especially with respect to
24 financing, are in the public interest and serve a public purpose of
25 the state;

26 (3) the economic future of Texas and its citizens
27 depends on the ability of businesses to secure low-cost capital

1 that promotes the high-quality jobs that improve the living
2 standards of all Texans; and

3 (4) the coordinator [~~department~~] should actively seek
4 private funding to supplement the coordinator's [~~department's~~]
5 marketing and advertising efforts.

6 SECTION 1.30. Section 481.0725, Government Code, is amended
7 to read as follows:

8 Sec. 481.0725. GENERAL POWERS AND DUTIES. The coordinator
9 [~~department~~] shall:

10 (1) focus business recruitment, expansion, and
11 retention efforts on industry sectors with the highest potential
12 for creating high-wage, high-skill jobs;

13 (2) provide businesses with site selection assistance
14 and communities with investment leads;

15 (3) develop a comprehensive business recruitment
16 marketing plan;

17 (4) participate in international and domestic trade
18 shows, trade missions, marketing trips, and seminars; [~~and~~]

19 (5) produce and disseminate information through the
20 use of available media and resources, including the Internet, to
21 promote business assistance programs and the overall business
22 climate in the state;

23 (6) use market research to establish a state-level
24 marketing program targeted at business decision makers, to take
25 advantage of the economic development programs of this state, and
26 to achieve the goal of making this state a business destination; and

27 (7) establish a lead generation program to identify

1 potential employers and business citizens and to form networks with
2 existing businesses in this state.

3 SECTION 1.31. Section 481.073, Government Code, is amended
4 to read as follows:

5 Sec. 481.073. POWERS AND DUTIES RELATING TO FINANCING. (a)
6 The coordinator [~~department~~] shall act on behalf of the state to
7 carry out the public purposes of this subchapter and of the
8 Development Corporation Act. The coordinator [~~department~~] may
9 issue bonds to finance the cost of projects. The bonds may be
10 secured as provided by Section 25(e) of the Development Corporation
11 Act.

12 (b) The coordinator [~~governing board~~] has the powers that
13 are necessary to accomplish the purposes of this subchapter,
14 including the powers granted to industrial development
15 corporations by Section 23 of the Development Corporation Act,
16 except those provided by Subsections (a)(7), (8), (9), and (10) of
17 that section, and Sections 26, 27, and 29 of that Act.

18 (c) The coordinator [~~department~~] may:

19 (1) purchase, discount, sell, assign, negotiate, and
20 otherwise dispose of notes, bonds, and other evidences of
21 indebtedness incurred to finance or refinance projects whether
22 secured or unsecured;

23 (2) administer or participate in programs established
24 by another person to finance or refinance projects; and

25 (3) acquire, hold, invest, use, and dispose of the
26 coordinator's [~~department's~~] revenues, funds, and money received
27 from any source under this subchapter and the proceedings

1 authorizing the bonds issued under this subchapter, subject only to
2 the provisions of the Texas Constitution, this subchapter, and any
3 covenants relating to the coordinator's ~~[department's]~~ bonds in
4 classes of investments that the coordinator ~~[board]~~ determines.

5 SECTION 1.32. Section 481.075, Government Code, is amended
6 to read as follows:

7 Sec. 481.075. PROGRAM RULES. (a) The coordinator
8 ~~[department]~~ shall adopt rules to establish criteria for
9 determining which users may participate in programs established by
10 the coordinator ~~[department]~~ under this subchapter. The
11 coordinator ~~[department]~~ shall adopt collateral or security
12 requirements to ensure the full repayment of any loan, lease, or
13 installment sale and the solvency of any program implemented under
14 this subchapter. The coordinator ~~[governing board]~~ must approve
15 all leases and sale and loan agreements made under this subchapter
16 ~~[except that the governing board may delegate this approval~~
17 ~~authority to the executive director]~~.

18 (b) Users participating in the programs established under
19 this subchapter shall pay the costs of applying for, participating
20 in, and administering and servicing the program in amounts that the
21 coordinator ~~[department]~~ considers reasonable and necessary.

22 SECTION 1.33. Sections 481.087(a) and (b), Government Code,
23 as amended by Chapters 18 and 602, Acts of the 72nd Legislature,
24 Regular Session, 1991, are amended to read as follows:

25 (a) The Texas rural economic development fund is a
26 ~~[guaranteed loan]~~ fund in the state treasury. The coordinator
27 ~~[department]~~ may use money in the fund to establish a reserve fund,

1 in an amount determined by the coordinator [~~department~~] as
2 appropriate, for bonds issued under [~~Subchapter E of~~] this chapter
3 for projects that [~~which~~] are [~~also~~] eligible under this subchapter
4 or to insure and guarantee the bonds in any other manner. [~~Reserve~~
5 ~~funds for the issuance of bonds under Subchapters Q and U may only~~
6 ~~be created on approval of the Product Development Advisory Board or~~
7 ~~the Product Commercialization Advisory Board, as applicable.~~]

8 (b) Appropriations for the implementation and
9 administration of this subchapter, interest paid on money in the
10 fund, investment earnings, and fees shall be deposited in the fund.
11 The coordinator [~~department~~] may [~~also~~] deposit proceeds of bonds
12 [~~funds~~] issued under [~~Subchapter E of~~] this chapter in the fund.

13 SECTION 1.34. Subchapter G, Chapter 481, Government Code,
14 is amended to read as follows:

15 SUBCHAPTER G. STATEWIDE AND REGIONAL ECONOMIC DEVELOPMENT PLANS

16 [~~PLAN~~]

17 Sec. 481.101. COORDINATED ECONOMIC DEVELOPMENT PLANS

18 [~~PLAN~~]. (a) The coordinator [~~department~~], in consultation with
19 the comptroller, shall develop a coordinated, comprehensive
20 economic development plan to provide for the orderly development
21 and management of economic development in this state. The plan must
22 provide for:

23 (1) establishing goals and standards to measure
24 whether state efforts are having a positive economic effect;

25 (2) tracking benefits and wage and retention
26 performance measures; and

27 (3) reevaluating economic development initiatives

1 that offer fewer benefits in relation to their costs.

2 (b) The coordinator shall use industry cluster analysis to
3 develop statewide and regional economic development plans to assist
4 regions of this state in targeting industries with the greatest
5 growth potential for effective development. The plans shall be
6 designed to enable local economic development organizations to
7 allocate resources to develop local marketing and workforce
8 development plans.

9 Sec. 481.102. INITIAL PLANS [~~PLAN~~]; UPDATES. (a) [~~No later~~
10 ~~than September 1, 2002, the department shall adopt the~~
11 ~~comprehensive state economic development plan.~~

12 [~~(b)~~] Each fifth [~~following~~] year after 2002, the
13 coordinator [~~department~~], in consultation with the comptroller,
14 shall update the plan developed under Section 481.101(a).

15 (b) No later than September 1, 2004, the coordinator shall
16 adopt the state and regional economic development plans developed
17 under Section 481.101(b). Each fifth following year the
18 coordinator shall update the plan.

19 Sec. 481.103. USE OF PLANS [~~PLAN~~]. (a) The [~~state~~]
20 economic development plans [~~plan~~] shall be a guide to state
21 economic development policy. The coordinator [~~department~~] shall
22 take the plans [~~plan~~] into consideration in matters coming before
23 it.

24 (b) The coordinator [~~department~~] shall disseminate the
25 plans [~~plan~~] to local governments and shall encourage the local
26 governments to use the suggested standards to improve efficient
27 allocation and use of economic development resources.

1 (c) Local economic development efforts that produce a cost
2 to the state may adopt the goals and standards established by the
3 state economic development plan developed under Section
4 481.101(a).

5 Sec. 481.104. RULES. The coordinator [~~department~~] by rule
6 shall adopt guidance principles for the [~~state~~] economic
7 development plans [~~plan~~] that reflect the public interest of the
8 entire state, including the needs of rural and urban areas,
9 economically depressed areas, and areas experiencing significant
10 changes in population.

11 Sec. 481.105. DELIVERY OF PLANS [~~PLAN~~] AND UPDATES. The
12 coordinator [~~department~~] shall promptly deliver each [~~the state~~]
13 economic development plan and each update of each [~~the~~] plan to the
14 governor, the lieutenant governor, and the speaker of the house of
15 representatives and present each [~~the~~] plan for review to the
16 appropriate legislative committees. The plans [~~plan~~] and updates
17 must include legislative recommendations that the coordinator
18 [~~department~~] believes are needed and desirable to facilitate more
19 voluntary economic development.

20 SECTION 1.35. Section 481.121(2), Government Code, is
21 amended to read as follows:

22 (2) "Office" means the coordinator's [~~department's~~]
23 business permit office.

24 SECTION 1.36. Section 481.122, Government Code, is amended
25 to read as follows:

26 Sec. 481.122. CREATION. The business permit office is an
27 office within the governor's office under the direction of the

1 coordinator [~~department~~].

2 SECTION 1.37. Chapter 481, Government Code, is amended by
3 adding Subchapter I to read as follows:

4 SUBCHAPTER I. IDENTIFICATION OF POTENTIAL NEW PROSPECTS; TAX
5 INCENTIVE PROPOSAL

6 Sec. 481.141. TAX INCENTIVE RECOMMENDATIONS. The
7 coordinator shall formulate tax incentive programs designed to
8 competitively recruit businesses to this state. Not later than
9 December 1 of each even-numbered year, the coordinator shall
10 recommend the programs to the legislature.

11 Sec. 481.142. IDENTIFICATION OF POTENTIAL NEW PROSPECTS.
12 If the coordinator determines that tax incentives would encourage a
13 business entity to expand in or relocate to this state, the
14 coordinator shall enter an order identifying the business as a
15 potential new prospect.

16 Sec. 481.143. IDENTIFICATION OF AREAS ELIGIBLE FOR
17 DESIGNATION AS REINVESTMENT ZONE. The coordinator may identify
18 areas that are eligible for designation as reinvestment zones under
19 Chapter 311 or 312, Tax Code. The coordinator shall inform a
20 governing body of a municipality or county that has the authority to
21 designate an area as a reinvestment zone under Chapter 311 or 312,
22 Tax Code, that the coordinator has identified an area in the
23 municipality or county as eligible for designation as a
24 reinvestment zone under this section.

25 Sec. 481.144. TAX INCENTIVES FOR IDENTIFIED POTENTIAL NEW
26 PROSPECTS. (a) The coordinator shall compile a tax incentive
27 package for each business identified as a potential new prospect

1 under Section 481.142. A tax incentive package may:

2 (1) provide that the identified potential new prospect
3 is eligible for increased tax credits under Section 171.723,
4 171.753, or 171.803, Tax Code;

5 (2) recommend that a taxing unit enter into a tax
6 abatement agreement with an identified potential new prospect under
7 Chapter 311 or 312, Tax Code; and

8 (3) recommend that a school district grant an
9 identified potential new prospect a limitation on appraised value
10 under Chapter 313, Tax Code.

11 (b) An identified potential new prospect is eligible for any
12 tax incentives proposed by the coordinator if the proposal is
13 approved by:

14 (1) the governor;

15 (2) the comptroller; and

16 (3) the lieutenant governor.

17 Sec. 481.145. ASSISTANCE. The comptroller and the Texas
18 Workforce Commission shall assist the coordinator in compiling the
19 information necessary to make recommendations under this
20 subchapter.

21 SECTION 1.38. Chapter 481, Government Code, is amended by
22 adding Subchapter J to read as follows:

23 SUBCHAPTER J. FUNDING FOR JOBS CREATION AND SKILLS DEVELOPMENT

24 Sec. 481.151. JOBS CREATION FUND. (a) The jobs creation
25 fund is an account in the general revenue fund.

26 (b) The jobs creation fund is composed of:

27 (1) money transferred into the fund under Section

1 204.143, Labor Code;

2 (2) money transferred into the fund as provided by
3 Section 57.043, Utilities Code;

4 (3) gifts, grants, and other donations received by the
5 coordinator for the fund; and

6 (4) any amounts appropriated by the legislature for
7 the fund.

8 (c) Money in the jobs creation fund may be used only for the
9 jobs creation fund program.

10 (d) The coordinator may recommend to the legislature that an
11 amount be appropriated from the economic stabilization fund to the
12 jobs creation fund.

13 Sec. 481.152. RAINY DAY FUND. (a) The jobs creation rainy
14 day fund is established as a special trust fund in the custody of
15 the comptroller separate and apart from all public money or funds of
16 this state.

17 (b) The jobs creation rainy day fund is composed of:

18 (1) money transferred to the fund as provided by
19 Section 204.143, Labor Code; and

20 (2) any other money received by the coordinator for
21 deposit in the fund.

22 (c) The coordinator may use money in the jobs creation rainy
23 day fund if the coordinator determines that, after consulting with
24 the comptroller, the jobs creation fund contains insufficient money
25 to cover the amounts appropriated by the legislature to operate the
26 jobs creation fund program and that:

27 (1) the unemployment rate in this state is 125 percent

1 of the average unemployment rate in this state during the preceding
2 three years; or

3 (2) a severe economic dislocation is occurring in a
4 specific region of this state.

5 (d) The coordinator by rule shall define "severe economic
6 dislocation" for purposes of Subsection (c). In adopting a
7 definition, the coordinator shall consider employment-related
8 factors, including:

9 (1) massive layoffs in a region of this state caused
10 by:

11 (A) the closure of military bases;

12 (B) the effect of the implementation of the North
13 American Free Trade Agreement;

14 (C) employer relocations; or

15 (D) other analogous situations; and

16 (2) the number of jobs lost in a region compared to the
17 region's usual rates of employment.

18 (e) If the coordinator approves the use of money from the
19 jobs creation rainy day fund because of a severe economic
20 dislocation occurring in a specific region of the state, the
21 coordinator may use the money allocated from the jobs creation
22 rainy day fund solely for projects located in the affected region.

23 Sec. 481.153. JOBS CREATION FUND PROGRAM. (a) The jobs
24 creation fund program is created in the office of the governor as a
25 workforce development incentive program to enhance employment
26 opportunities and to increase the competitiveness of the existing
27 workforce in this state.

1 (b) The jobs creation fund program shall give priority to
2 training new workers, retraining workers who have lost their jobs,
3 and upgrading technical skills for incumbent workers.

4 (c) The coordinator shall administer the program.

5 (d) The coordinator shall adopt rules as necessary to
6 implement the program.

7 Sec. 481.154. TRAINING FOR IDENTIFIED POTENTIAL NEW
8 PROSPECTS. The jobs creation fund program shall provide training
9 for employees of identified potential new prospects through
10 agreements with local technical schools, labor union training
11 programs, local community colleges, or higher education extension
12 agencies.

13 Sec. 481.155. REFUND OF UNEXPENDED AMOUNTS. The
14 coordinator, in consultation with the Texas Employment Commission,
15 shall adopt rules to provide for the refund of unexpended amounts in
16 the jobs creation fund to employers that paid the jobs creation and
17 training assessment imposed under Section 204.141, Labor Code, for
18 the period during which the unexpended amounts were collected.

19 Sec. 481.156. RECOMMENDATIONS FOR SKILLS DEVELOPMENT FUND.
20 The coordinator, with the assistance of the Texas Workforce
21 Commission, shall make recommendations to the governor for
22 enhancing the skills development fund to meet the needs of
23 identified potential new prospects.

24 SECTION 1.39. Section 481.1665, Government Code, is amended
25 to read as follows:

26 Sec. 481.1665. INFORMATION ON PROGRAMS AND SERVICES FOR
27 CERTAIN COMMUNITIES AND ENTITIES. (a) At least once each two-year

1 period, the Texas Business and Community Economic Development
2 Clearinghouse shall provide written notice in English and in
3 Spanish regarding those programs and services described by Section
4 481.167(b) that will benefit and assist communities and entities
5 that have experienced significant job losses associated with the
6 implementation of the North American Free Trade Agreement (NAFTA).
7 The clearinghouse shall provide the notice to each of the governing
8 bodies of the municipalities and counties, chambers of commerce,
9 small business development centers, and economic development
10 centers located in the border region. The clearinghouse shall also
11 provide the information contained in the notice on the
12 coordinator's [~~department's~~] Internet website.

13 (b) The notice required by Subsection (a) must contain:

14 (1) the Internet address of the coordinator's
15 [~~department's~~] website; and

16 (2) the toll-free telephone number of the
17 clearinghouse.

18 SECTION 1.40. Sections 481.167(a), (b), (d), and (e),
19 Government Code, are amended to read as follows:

20 (a) The coordinator [~~department~~] shall establish the Texas
21 Business and Community Economic Development Clearinghouse to
22 provide information and assistance to businesses and communities in
23 the state through the use of a statewide toll-free telephone
24 service.

25 (b) The clearinghouse shall collect and disseminate
26 information on federal, state, local, and private:

27 (1) business development programs, including

1 financial assistance and business incentive programs;

2 (2) business development services, including
3 technical assistance, workshops, business incubators, training,
4 and useful publications;

5 (3) [~~rural and urban community economic development~~
6 ~~programs, including loans, grants, and other funding sources,~~

7 [~~(4)~~] rural and urban community economic development
8 services, including technical assistance, workshops, training, and
9 useful publications;

10 (4) [~~(5)~~] small business programs and services and
11 useful publications;

12 (5) [~~(6)~~] defense economic adjustment programs and
13 services and useful publications; and

14 (6) [~~(7)~~] international trade programs, services, and
15 useful publications.

16 (d) The coordinator [~~department~~] shall obtain from [~~other~~]
17 state agencies appropriate information needed by the coordinator
18 [~~department~~] to carry out the coordinator's [~~its~~] duties under this
19 subchapter.

20 (e) The comptroller shall assist the coordinator
21 [~~department~~] in furthering the purposes of this subchapter by
22 allowing the coordinator [~~department~~] to use the field offices and
23 personnel of the comptroller to disseminate brochures, documents,
24 and other information useful to businesses in the state.

25 SECTION 1.41. Section 481.168(a), Government Code, is
26 amended to read as follows:

27 (a) The attorney general, the comptroller, the coordinator

1 ~~[Texas Department of Economic Development]~~, and the Council on
2 Workforce and Economic Competitiveness shall:

3 (1) conduct a survey of tax incentive laws and
4 economic development laws enacted in other states since 1990; and

5 (2) deliver to the governor, the lieutenant governor,
6 and the speaker of the house of representatives a joint report of
7 the results of the survey.

8 SECTION 1.42. Subchapter K, Chapter 481, Government Code,
9 is amended by adding Section 481.169 to read as follows:

10 Sec. 481.169. ADVISORY BOARD OF ECONOMIC DEVELOPMENT
11 STAKEHOLDERS. (a) An advisory board of economic development
12 stakeholders is created to assist the coordinator.

13 (b) The governor shall appoint seven members to the advisory
14 board. The governor shall appoint three of the initial members to
15 two-year terms, and shall appoint four of the initial members to
16 four-year terms. Thereafter, the governor shall appoint each
17 member of the advisory board to a four-year term.

18 (c) The advisory board shall collect and disseminate
19 information on federal, state, local, and private community
20 economic development programs, including loans, grants, and other
21 funding sources.

22 SECTION 1.43. Section 481.172, Government Code, as amended
23 by Chapters 1041 and 1275, Acts of the 75th Legislature, Regular
24 Session, 1997, is amended to read as follows:

25 Sec. 481.172. DUTIES. (a) The coordinator ~~[department]~~
26 shall:

27 (1) promote and advertise within the United States and

1 in foreign countries, by radio, television, newspaper, the
2 Internet, and other means considered appropriate, tourism in this
3 state by non-Texans, including persons from foreign countries, and
4 distribute promotional materials through appropriate distribution
5 channels;

6 (2) represent the state in domestic and international
7 travel trade shows, trade missions, and seminars;

8 (3) encourage travel by Texans to this state's scenic,
9 historical, natural, agricultural, educational, recreational, and
10 other attractions;

11 (4) conduct a public relations campaign to create a
12 responsible and accurate national and international image of this
13 state;

14 (5) use current market research to develop a tourism
15 marketing plan to increase travel to the state by domestic and
16 international visitors;

17 (6) develop methods to attract tourist attractions to
18 the state;

19 (7) assist communities to develop tourist
20 attractions; ~~and~~

21 (8) direct the efforts of ~~[cooperate fully with]~~ the
22 Parks and Wildlife Department, the Texas Department of
23 Transportation, the Texas Historical Commission, and the Texas
24 Commission on the Arts in all matters relating to promotion of
25 tourism; ~~[-]~~

26 (9) ~~[-(8)]~~ promote and encourage the horse racing and
27 greyhound racing industry, if funds are appropriated for the

1 promotion or encouragement; and

2 (10) develop a marketing plan to promote the beauty,
3 diversity, and entertainment values offered by this state.

4 (b) The Parks and Wildlife Department, the Texas Department
5 of Transportation, the Texas Historical Commission, and the Texas
6 Commission on the Arts shall comply with a direction given by the
7 coordinator relating to the promotion of tourism.

8 SECTION 1.44. Subchapter L, Chapter 481, Government Code,
9 is amended by adding Sections 481.1721 and 481.1722 to read as
10 follows:

11 Sec. 481.1721. HERITAGE TOURISM. (a) The coordinator may
12 promote the appreciation of historic sites, structures, or objects
13 in this state through a program designed to develop tourism in this
14 state.

15 (b) The coordinator shall promote heritage tourism by
16 assisting persons, including local governments, organizations, and
17 individuals, in the preservation, enhancement, and promotion of
18 heritage and cultural attractions in this state. The program must
19 include efforts to:

20 (1) raise the standards of heritage and cultural
21 attractions around this state;

22 (2) foster heritage preservation and education;

23 (3) encourage regional cooperation and promotion of
24 heritage and cultural attractions; and

25 (4) foster effective local tourism leadership and
26 organizational skills.

27 Sec. 481.1722. HIGHWAY TOURISM AND ADVERTISING. (a) The

1 coordinator may compile and publish for distribution documents,
2 including bulletins and pamphlets, to:

3 (1) disseminate information relating to highway
4 construction, repair, maintenance, and upkeep;

5 (2) advertise the highways of this state; and

6 (3) attract traffic to this state.

7 (b) A document compiled or published under Subsection (a)
8 shall contain information relating to:

9 (1) the highways of this state;

10 (2) public parks, recreational grounds, scenic
11 places, and other public places or objects of interest;

12 (3) distances;

13 (4) historical facts; or

14 (5) other items or matters of interest and value to the
15 general public and road users.

16 (c) The coordinator may make or cause to be made maps
17 showing the highways of this state and the municipalities and other
18 places of interest served and reached by the highways. The
19 coordinator may publish and distribute the maps in a manner
20 determined by the coordinator to best benefit the public.

21 (d) Single copies of documents, maps, and other travel
22 materials distributed by the coordinator under this section shall
23 be provided free of charge. The coordinator by rule may require
24 payment for large quantities of the materials in an amount
25 sufficient to recover its direct and indirect production costs and
26 may authorize the free distribution of multiple copies if the
27 distribution will maximize the coordinator's resources for

1 advertising the highways of this state and promoting travel to and
2 within this state. Money paid to the coordinator under this section
3 shall be deposited to the credit of the tourism account in the
4 general revenue fund to finance the coordinator's tourism
5 activities. Section 403.095 does not apply to funds deposited in
6 the tourism account under this subsection.

7 (e) The coordinator shall maintain and operate travel
8 information centers at the principal gateways to this state for the
9 purpose of providing road information, travel guidance, and various
10 descriptive materials, pamphlets, and booklets designed to furnish
11 aid and assistance to the traveling public and stimulate travel to
12 and within this state.

13 (f) The coordinator may:

14 (1) purchase advertising space in periodicals of
15 national circulation or time on broadcasting facilities;

16 (2) contract with a recognized and financially
17 responsible advertising agency that has a minimum of five years of
18 experience in handling accounts of similar scope;

19 (3) contract for space in magazines, papers, or
20 periodicals for the publication of advertising or other
21 information that the coordinator determines is useful and
22 informative to persons outside this state; or

23 (4) contract with a motion picture producer or another
24 person for the taking of moving or still pictures in this state and
25 provide for the showing of the films.

26 (g) The coordinator may accept contributions from private
27 persons to fund the coordinator's activities under this section and

1 may deposit the contributions in a bank to be used at the discretion
2 of the coordinator in compliance with the wishes of the donor, to
3 the extent practicable.

4 (h) The coordinator may contract with private entities for
5 the production, marketing, and distribution of pamphlets,
6 bulletins, documents, and other travel materials published under
7 Subsection (a) on terms considered by the coordinator to be
8 beneficial to this state, including terms providing cost savings.
9 A contract may include cooperative strategies considered by the
10 coordinator to be cost-beneficial and may provide for the
11 acceptance of paid advertising in the travel materials if the
12 quality and quantity of the travel materials is maintained.

13 (i) The coordinator may sell promotional items such as
14 calendars, books, prints, caps, light clothing, or other items
15 approved by the coordinator as advertising the resources of this
16 state. All proceeds from the sale of the items shall be deposited
17 to the credit of the tourism account in the general revenue fund to
18 finance the coordinator's tourism activities. Section 403.095 does
19 not apply to funds deposited in the tourism account under this
20 subsection.

21 SECTION 1.45. Section 481.174, Government Code, is amended
22 to read as follows:

23 Sec. 481.174. ADVERTISEMENTS IN TOURISM PROMOTIONS. (a)
24 The coordinator [~~department~~] may sell advertisements in travel
25 promotions in any medium.

26 (b) The coordinator [~~governing board~~] shall adopt rules to
27 implement the sale of advertisements under Subsection (a),

1 including rules regulating:

- 2 (1) the cost of advertisements;
- 3 (2) the type of products or services that may be
4 advertised;
- 5 (3) the size of advertisements; and
- 6 (4) refunds on advertisements that are not run.

7 (c) Proceeds from the sale of advertisements shall be
8 deposited in the special account in the general revenue fund that
9 may be used for advertising and marketing activities of the
10 coordinator [~~department~~] as provided by Section 156.251, Tax Code.

11 SECTION 1.46. Sections 481.193(a), (b), (d), (e), (f), and
12 (h), Government Code, are amended to read as follows:

13 (a) The coordinator [~~department~~] shall establish a linked
14 deposit program to encourage commercial lending for the development
15 of:

- 16 (1) small businesses in enterprise zones;
- 17 (2) historically underutilized businesses;
- 18 (3) child-care services provided by and activities
19 engaged in this state by nonprofit organizations; and
- 20 (4) quality, affordable child-care services in this
21 state.

22 (b) The coordinator [~~policy board~~] shall adopt rules for the
23 loan portion of the linked deposit program.

24 (d) After reviewing an application and determining that the
25 applicant is an eligible borrower and is creditworthy, the eligible
26 lending institution shall send the application for a linked deposit
27 loan to the coordinator [~~department~~].

1 (e) The eligible lending institution shall certify the
2 interest rate applicable to the specific eligible borrower and
3 attach it to the application sent to the coordinator [~~department~~].

4 (f) After reviewing each linked deposit loan application,
5 the coordinator [~~executive director of the department~~] shall
6 recommend to the comptroller the acceptance or rejection of the
7 application.

8 (h) Before the placing of a linked deposit, the eligible
9 lending institution and the state, represented by the comptroller
10 and the coordinator [~~department~~], shall enter into a written
11 deposit agreement containing the conditions on which the linked
12 deposit is made. The deposit agreement must provide that:

13 (1) the lending institution notify the comptroller if
14 the borrower to which the deposit is linked defaults on the loan;
15 and

16 (2) in the event of a default the comptroller may
17 withdraw the linked deposit.

18 SECTION 1.47. Section 481.194, Government Code, is amended
19 to read as follows:

20 Sec. 481.194. COMPLIANCE. (a) On acceptance of its
21 application to receive linked deposits, an eligible lending
22 institution shall loan money to an eligible borrower in accordance
23 with the deposit agreement and this subchapter. The eligible
24 lending institution shall forward a compliance report to the
25 coordinator [~~department~~].

26 (b) The coordinator [~~department~~] shall monitor compliance
27 with this subchapter and inform the comptroller of noncompliance on

1 the part of an eligible lending institution.

2 SECTION 1.48. Section 481.198, Government Code, is amended
3 to read as follows:

4 Sec. 481.198. MARKETING. (a) The coordinator [~~department~~]
5 shall promote the linked deposit program established by this
6 subchapter to eligible borrowers and financial institutions that
7 make commercial loans and are depositories of state funds.

8 (b) Not later than January 1 of each odd-numbered year, the
9 coordinator [~~department~~] shall prepare and deliver to the governor,
10 lieutenant governor, speaker of the house of representatives, and
11 clerks of the standing committees of the senate and house of
12 representatives with primary jurisdiction over commerce and
13 economic development a report concerning the coordinator's
14 [~~department's~~] efforts in promoting the linked deposit program
15 during the preceding two years.

16 SECTION 1.49. Section 481.201, Government Code, is amended
17 to read as follows:

18 Sec. 481.201. AGREEMENT WITH HISTORICAL COMMISSION. The
19 Texas Historical Commission shall execute a written agreement with
20 the coordinator [~~department~~] providing for coordination and
21 planning of and giving priority to loans made under the
22 commission's Main Street program.

23 SECTION 1.50. Section 481.211, Government Code, is amended
24 to read as follows:

25 Sec. 481.211. POWERS AND DUTIES. The coordinator
26 [~~department~~] shall:

27 (1) compile and update demographic and economic

1 information on the state;

2 (2) develop and update information products for local
3 communities on community economic development issues and practices
4 that encourage regional cooperation; and

5 (3) compile and disseminate information on economic
6 and industrial development trends and issues, including NAFTA,
7 emerging industries, and patterns of international trade and
8 investment.

9 SECTION 1.51. Section 481.212, Government Code, is amended
10 to read as follows:

11 Sec. 481.212. COMPILATION AND DISTRIBUTION OF DATA AND
12 RESEARCH. (a) To serve as a one-stop center for business-related
13 information, the coordinator [~~department~~] shall obtain from other
14 state agencies and organizations, including the comptroller and the
15 Texas Workforce Commission, business-related statistics and data.

16 (b) To maximize the accessibility of business-related data,
17 the coordinator [~~department~~] shall maintain the [~~create a~~] web site
18 established by the Texas Department of Economic Development to
19 publish business-related information on the Internet. The web site
20 must provide connections to other business-related web sites.

21 (c) The coordinator [~~department~~] may charge a reasonable
22 access fee in connection with this subchapter.

23 SECTION 1.52. Subchapter P, Chapter 481, Government Code,
24 is amended by adding Section 481.213 to read as follows:

25 Sec. 481.213. ADVANCED TECHNOLOGY RESOURCE CENTER. (a) In
26 this section, "center" means the Advanced Technology Resource
27 Center.

1 (b) The coordinator shall establish the center to study and
2 collect information relating to emerging industries, including
3 microelectronics, telecommunications, and biotechnology.

4 (c) The coordinator shall appoint an advisory board
5 composed of individuals with contacts with or experience in
6 private-sector or higher education research and development
7 establishments. The advisory board shall administer the center,
8 stay informed of new technology, and advise the coordinator of new
9 prospects for quality future employment.

10 (d) The center, with the assistance of the coordinator,
11 shall establish and maintain an Internet site that provides the
12 public with access to the information compiled under this section.

13 SECTION 1.53. Section 481.379(b), Government Code, is
14 amended to read as follows:

15 (b) The design committee is composed of members appointed by
16 the coordinator [~~executive director~~] as follows:

17 (1) three members who are employers, representing the
18 business community, including representation of small businesses;

19 (2) three members who are employees, representing the
20 labor community;

21 (3) three members who are high school teachers,
22 representing secondary education, including representation by
23 persons with experience in the federal technical preparatory
24 education programs created under 20 U.S.C. Section 2394b;

25 (4) three members who are faculty members of
26 institutions of higher education, representing higher education,
27 including representation by persons with experience in the federal

1 technical preparatory education programs created under 20 U.S.C.
2 Section 2394b;

3 (5) three members who are training directors from
4 registered United States Department of Labor Bureau of
5 Apprenticeship and Training programs; and

6 (6) three members who are persons who are not eligible
7 for appointment under Subdivisions (1) through (5), representing
8 the general public.

9 SECTION 1.54. Section 481.401(9), Government Code, is
10 amended to read as follows:

11 (9) "Reserve account" means an account established in
12 a participating financial institution on approval of the
13 coordinator [~~department~~] in which money is deposited to serve as a
14 source of additional revenue to reimburse the financial institution
15 for losses on loans enrolled in the program.

16 SECTION 1.55. Section 481.402(c), Government Code, is
17 amended to read as follows:

18 (c) Money in the fund may be appropriated only to the
19 coordinator [~~department~~] for use in carrying out the purposes of
20 this subchapter.

21 SECTION 1.56. Sections 481.403(a), (b), and (c), Government
22 Code, are amended to read as follows:

23 (a) At the beginning of each fiscal year, the coordinator
24 [~~department~~] shall compute for [~~the Texas exporters loan fund~~
25 ~~established under Subchapter D and~~] the Texas rural economic
26 development fund established under Subchapter F[+]

27 [~~(1) the amount sufficient for that fiscal year to~~

1 ~~cover loan guarantees made under Subchapter D or F, as applicable to~~
2 ~~each fund;~~

3 ~~[(2)]~~ the amount sufficient for the fiscal year to
4 repay bonds issued ~~[under Subchapter D, to carry out the purposes of~~
5 ~~Section 481.059, or]~~ for projects that are eligible under
6 Subchapter F ~~[, as applicable to each fund; and~~

7 ~~[(3) the amount of loan repayments for loans made~~
8 ~~under Subchapter D or F that will be expected to be received during~~
9 ~~the fiscal year, as applicable to each fund].~~

10 (b) At the beginning of each fiscal year, the comptroller
11 ~~[for each fund described by Subsection (a)]~~ shall subtract the sum
12 of the amount computed by the coordinator ~~[department]~~ under
13 Subsection (a) ~~[Subsections (a)(1) and (a)(2)]~~ for the ~~[respective]~~
14 fund from the amount in the fund at the beginning of the fiscal
15 year.

16 (c) If a positive amount results from a computation made
17 under Subsection (b), the comptroller shall transfer an amount
18 equal to the computed amount from the fund ~~[to which the computation~~
19 ~~relates]~~ to the capital access fund.

20 SECTION 1.57. Section 481.404, Government Code, is amended
21 to read as follows:

22 Sec. 481.404. POWERS OF COORDINATOR ~~[DEPARTMENT]~~ IN
23 ADMINISTERING CAPITAL ACCESS FUND. In administering the fund, the
24 coordinator ~~[department]~~ has the powers necessary to carry out the
25 purposes of this subchapter, including the power to:

26 (1) make, execute, and deliver contracts,
27 conveyances, and other instruments necessary to the exercise of the

1 coordinator's [~~its~~] powers;

2 (2) invest money at the coordinator's [~~department's~~]
3 discretion in obligations determined proper by the coordinator
4 [~~department~~], and select and use depositories for its money;

5 (3) employ personnel and counsel and pay the persons
6 from money in the fund legally available for that purpose; and

7 (4) impose and collect fees and charges in connection
8 with any transaction and provide for reasonable penalties for
9 delinquent payment of fees or charges.

10 SECTION 1.58. Sections 481.405(a)-(d), Government Code,
11 are amended to read as follows:

12 (a) The coordinator [~~department~~] shall establish a capital
13 access program to assist a participating financial institution in
14 making loans to businesses and nonprofit organizations that face
15 barriers in accessing capital.

16 (b) The coordinator [~~department~~] shall use money in the fund
17 to make a deposit in a participating financial institution's
18 reserve account in an amount specified by this subchapter to be a
19 source of money the institution may receive as reimbursement for
20 losses attributable to loans in the program.

21 (c) The coordinator [~~department~~] shall determine the
22 eligibility of a financial institution to participate in the
23 program and may set a limit on the number of eligible financial
24 institutions that may participate in the program.

25 (d) To participate in the program, an eligible financial
26 institution must enter into a participation agreement with the
27 coordinator [~~department~~] that sets out the terms and conditions

1 under which the coordinator [~~department~~] will make contributions to
2 the institution's reserve account and specifies the criteria for a
3 loan to qualify as a capital access loan.

4 SECTION 1.59. Sections 481.407(a) and (d), Government Code,
5 are amended to read as follows:

6 (a) Except as otherwise provided by this subchapter, the
7 coordinator [~~department~~] may not determine the recipient, amount,
8 or interest rate of a capital access loan or the fees or other
9 requirements related to the loan.

10 (d) A capital access loan may be sold on the secondary
11 market under conditions as may be determined by the coordinator
12 [~~department~~].

13 SECTION 1.60. Sections 481.408(a), (c), and (d), Government
14 Code, are amended to read as follows:

15 (a) On approval by the coordinator [~~department~~] and after
16 entering into a participation agreement with the coordinator
17 [~~department~~], a participating financial institution making a
18 capital access loan shall establish a reserve account. The reserve
19 account shall be used by the institution only to cover any losses
20 arising from a default of a capital access loan made by the
21 institution under this subchapter or as otherwise provided by this
22 subchapter.

23 (c) For each capital access loan made by a financial
24 institution, the institution shall certify to the coordinator
25 [~~department~~], within the period prescribed by the coordinator
26 [~~department~~], that the institution has made a capital access loan,
27 the amount the institution has deposited in the reserve account,

1 including the amount of fees received from the borrower, and, if
2 applicable, that the borrower is located in or financing a project,
3 activity, or enterprise in an area designated as an enterprise zone
4 under Chapter 2303.

5 (d) On receipt of a certification made under Subsection (c)
6 and subject to Section 481.409, the coordinator [~~department~~] shall
7 deposit in the institution's reserve account for each capital
8 access loan made by the institution:

9 (1) an amount equal to the amount deposited by the
10 institution for each loan if the institution:

11 (A) has assets of more than \$1 billion; or

12 (B) has previously enrolled loans in the program
13 that in the aggregate are more than \$2 million;

14 (2) an amount equal to 150 percent of the total amount
15 deposited under Subsection (b) for each loan if the institution is
16 not described by Subdivision (1); or

17 (3) notwithstanding Subdivisions (1) and (2), an
18 amount equal to 200 percent of the total amount deposited under
19 Subsection (b) for each loan if:

20 (A) the borrower is located in or financing a
21 project, activity, or enterprise in an area designated as an
22 enterprise zone under Chapter 2303; or

23 (B) the borrower is a small or medium-size
24 business or a nonprofit organization that operates or proposes to
25 operate a day-care center or a group day-care home, as those terms
26 are defined by Section 42.002, Human Resources Code.

27 SECTION 1.61. Section 481.409, Government Code, is amended

1 to read as follows:

2 Sec. 481.409. LIMITATIONS ON STATE CONTRIBUTION TO RESERVE
3 ACCOUNT. (a) The amount deposited by the coordinator [~~department~~]
4 into a participating financial institution's reserve account for
5 any single loan recipient may not exceed \$150,000 during a
6 three-year period.

7 (b) The maximum amount the coordinator [~~department~~] may
8 deposit into a reserve account for each capital access loan made
9 under this subchapter is the lesser of \$35,000 or an amount equal
10 to:

11 (1) eight percent of the loan amount if:

12 (A) the borrower is located in or financing a
13 project, activity, or enterprise in an area designated as an
14 enterprise zone under Chapter 2303; or

15 (B) the borrower is a small or medium-size
16 business or a nonprofit organization that operates or proposes to
17 operate a day-care center or a group day-care home, as those terms
18 are defined by Section 42.002, Human Resources Code; or

19 (2) six percent of the loan amount for any other
20 borrower.

21 SECTION 1.62. Sections 481.410(b), (c), and (d), Government
22 Code, are amended to read as follows:

23 (b) The state is entitled to earn interest on the amount of
24 contributions made by the coordinator [~~department~~], borrower, and
25 institution to a reserve account under this subchapter. The
26 coordinator [~~department~~] shall withdraw monthly or quarterly from a
27 reserve account the amount of the interest earned by the state. The

1 coordinator [~~department~~] shall deposit the amount withdrawn under
2 this subsection into the fund.

3 (c) If the amount in a reserve account exceeds an amount
4 equal to 33 percent of the balance of the financial institution's
5 outstanding capital access loans, the coordinator [~~department~~] may
6 withdraw the excess amount and deposit the amount in the fund. A
7 withdrawal of money authorized under this subsection may not reduce
8 an active reserve account to an amount that is less than \$200,000.

9 (d) The coordinator [~~department~~] shall withdraw from the
10 institution's reserve account the total amount in the account and
11 any interest earned on the account and deposit the amount in the
12 fund when:

13 (1) a financial institution is no longer eligible to
14 participate in the program or a participation agreement entered
15 into under this subchapter expires without renewal by the
16 coordinator [~~department~~] or institution;

17 (2) the financial institution has no outstanding
18 capital access loans; and

19 (3) the financial institution has not made a capital
20 access loan within the preceding 24 months.

21 SECTION 1.63. Section 481.411, Government Code, is amended
22 to read as follows:

23 Sec. 481.411. ANNUAL REPORT. A participating financial
24 institution shall submit an annual report to the coordinator
25 [~~department~~]. The report must:

26 (1) provide information regarding outstanding capital
27 access loans, capital access loan losses, and any other information

1 on capital access loans the coordinator [~~department~~] considers
2 appropriate;

3 (2) state the total amount of loans for which the
4 coordinator [~~department~~] has made a contribution from the fund
5 under this subchapter;

6 (3) include a copy of the institution's most recent
7 financial statement; and

8 (4) include information regarding the type and size of
9 businesses and nonprofit organizations with capital access loans.

10 SECTION 1.64. Section 481.412(a), Government Code, is
11 amended to read as follows:

12 (a) The coordinator [~~department~~] shall submit to the
13 legislature an annual status report on the program's activities.

14 SECTION 1.65. Section 481.414, Government Code, is amended
15 to read as follows:

16 Sec. 481.414. GIFTS AND GRANTS. The coordinator
17 [~~department~~] may accept gifts, grants, and donations from any
18 source for the purposes of this subchapter.

19 SECTION 1.66. Section 481.452, Government Code, is amended
20 to read as follows:

21 Sec. 481.452. INITIATIVE UNIT. (a) The coordinator
22 [~~department~~] shall appoint to serve on the Texas-Mexico Commerce
23 and International Relations Initiative Unit at least one
24 representative of the coordinator [~~department~~] and at least one
25 representative from the staff of each of the following agencies or
26 offices:

27 (1) Texas Department of Health;

1 (2) Texas Water Development Board;

2 (3) Texas [~~Natural Resource Conservation~~] Commission
3 on Environmental Quality;

4 (4) Texas Department of Housing and Community Affairs;

5 (5) Health and Human Services Commission;

6 (6) Parks and Wildlife Department;

7 (7) Texas Department of Transportation;

8 (8) Department of Public Safety of the State of Texas;

9 (9) office of the secretary of state;

10 (10) Department of Agriculture;

11 (11) Texas Department of Insurance;

12 (12) Railroad Commission of Texas; and

13 (13) office of the comptroller.

14 (b) The coordinator [~~department~~] shall designate one of the
15 members of the initiative unit to serve as the presiding officer of
16 the unit.

17 SECTION 1.67. Section 481.453, Government Code, is amended
18 to read as follows:

19 Sec. 481.453. COORDINATION OF AGENCIES AND OFFICES. The
20 coordinator [~~department~~], with the assistance of the initiative
21 unit, shall coordinate efforts with each of the agencies and
22 offices represented by the initiative unit to:

23 (1) study the trade relations between this state and
24 Mexico and between this state and the states that border this state;
25 and

26 (2) develop and adopt the Texas-Mexico Commerce and
27 International Relations Coordinated Plan to propose a course of

1 action that the state, including the coordinator [~~department~~] and
2 each agency and office represented by the initiative unit, should
3 take.

4 SECTION 1.68. Section 481.454(a), Government Code, is
5 amended to read as follows:

6 (a) The Texas-Mexico Commerce and International Relations
7 Coordinated Plan shall include:

8 (1) short-term recommendations and initiatives that
9 the state, including the coordinator [~~department~~] and each agency
10 and office represented by the initiative unit, may follow after the
11 adoption of the plan for the ensuing:

12 (A) two years; and

13 (B) four years;

14 (2) long-term recommendations and initiatives that
15 the state, including the coordinator [~~department~~] and each agency
16 and office represented by the initiative unit, may follow after the
17 adoption of the plan for the ensuing:

18 (A) five years;

19 (B) 10 years; and

20 (C) 15 years; and

21 (3) recommendations on what the state can do to:

22 (A) increase and improve trade with Mexico and
23 with the states that border this state;

24 (B) increase tourism to and from Mexico and
25 tourism to and from the states that border this state; and

26 (C) address any important trade problems between
27 this state and Mexico identified by the initiative unit.

1 SECTION 1.69. Section 481.455, Government Code, is amended
2 to read as follows:

3 Sec. 481.455. QUARTERLY REPORTS. Each agency and office
4 represented by the initiative unit shall submit quarterly reports
5 to the coordinator [~~department~~] regarding the actions taken by the
6 agency or office on behalf of the initiative unit or in furtherance
7 of a plan or recommendation of the initiative unit, including:

- 8 (1) the status of projects;
9 (2) the funding of expenditures;
10 (3) the planning and research done;
11 (4) the community and technical assistance provided;
12 (5) the information collected; and
13 (6) the direct role of the agency or office in
14 promoting the economic development of this state through increased
15 trade with and tourism to and from Mexico and the states that border
16 this state.

17 SECTION 1.70. Section 481.456, Government Code, is amended
18 to read as follows:

19 Sec. 481.456. PARTNERSHIP TO UPDATE CLEARINGHOUSE. The
20 coordinator [~~department~~] shall form a partnership with the agencies
21 and offices represented by the initiative unit to ensure that the
22 Texas Business and Community Economic Development Clearinghouse
23 has current knowledge of the Texas-Mexico Commerce and
24 International Relations Coordinated Plan and the actions taken by
25 the initiative unit and the agencies and offices represented by the
26 initiative unit.

27 SECTION 1.71. Section 481.459, Government Code, is amended

1 to read as follows:

2 Sec. 481.459. PERFORMANCE OF FUNCTIONS OF COORDINATOR
3 [~~DEPARTMENT~~]. If another state agency or office assumes the
4 functions of the coordinator [~~department~~], that agency or office
5 shall perform the functions of the coordinator [~~department~~] under
6 this subchapter.

7 SECTION 1.72. (a) The Texas Department of Economic
8 Development is abolished and the offices of the members of the
9 governing board of the department serving on the effective date of
10 this Act are abolished.

11 (b) The validity of an action taken by the Texas Department
12 of Economic Development or its governing board before it is
13 abolished under Subsection (a) of this section is not affected by
14 the abolishment.

15 SECTION 1.73. On September 1, 2003:

16 (1) all functions and activities performed by the
17 Texas Department of Economic Development or the department's
18 governing board immediately before that date are transferred to the
19 economic development coordinator;

20 (2) all employees of the Texas Department of Economic
21 Development become employees of the economic development
22 coordinator;

23 (3) a rule, standard, or form adopted by the Texas
24 Department of Economic Development or the department's governing
25 board is a rule, standard, or form of the economic development
26 coordinator and remains in effect until changed by the coordinator;

27 (4) a reference in law to the Texas Department of

1 Economic Development, the department's governing board, or the
2 department's predecessor agency means the economic development
3 coordinator;

4 (5) a proceeding involving the Texas Department of
5 Economic Development is transferred without change in status to the
6 economic development coordinator, and the economic development
7 coordinator assumes, without a change in status, the position of
8 the Texas Department of Economic Development in a proceeding to
9 which the Texas Department of Economic Development is a party;

10 (6) all money, contracts, leases, rights, and
11 obligations of the Texas Department of Economic Development are
12 transferred to the economic development coordinator;

13 (7) all property, including records, in the custody of
14 the Texas Department of Economic Development becomes the property
15 of the economic development coordinator;

16 (8) all funds appropriated by the legislature to the
17 Texas Department of Economic Development are transferred to the
18 economic development coordinator; and

19 (9) the executive director of the Texas Department of
20 Economic Development serving on the effective date of this Act
21 becomes an employee of the economic development coordinator as
22 provided by this Act.

23 SECTION 1.74. Sections 481.001(1) and (4), 481.004,
24 481.0041, 481.0043, 481.0044(b) and (c), 481.005, 481.006,
25 481.059, 481.077, 481.084, and 481.403(d), Government Code, are
26 repealed.

27 ARTICLE 2. CHANGES RELATING TO CONSOLIDATION OF TOURISM

PROMOTION EFFORTS

SECTION 2.01. Chapter 12, Agriculture Code, is amended by adding Section 12.0176 to read as follows:

Sec. 12.0176. TOURISM PROMOTION EFFORTS UNDER DIRECTION OF ECONOMIC DEVELOPMENT COORDINATOR. An effort by the department to promote tourism is subject to the direction of the economic development coordinator. The department shall comply with a direction given by the economic development coordinator relating to the promotion of tourism.

SECTION 2.02. Chapter 442, Government Code, is amended by adding Section 442.0055 to read as follows:

Sec. 442.0055. TOURISM PROMOTION EFFORTS UNDER DIRECTION OF ECONOMIC DEVELOPMENT COORDINATOR. An effort by the commission to promote tourism is subject to the direction of the economic development coordinator. The commission shall comply with a direction given by the economic development coordinator relating to the promotion of tourism.

SECTION 2.03. Section 444.030(b), Government Code, is amended to read as follows:

(b) The commission shall enter into an agreement as required by Subsection (a) with the:

(1) Texas [~~Central~~] Education Agency regarding the arts in education program in the public schools; and

(2) Music, Film, Television, and Multimedia Office in the governor's office regarding work with the state's music and film industries[~~, and~~

[~~(3) Texas Department of Commerce, Texas Department of~~

1 ~~Transportation, and Parks and Wildlife Department regarding state~~
2 ~~tourism promotion efforts].~~

3 SECTION 2.04. Subchapter B, Chapter 444, Government Code,
4 is amended by adding Section 444.032 to read as follows:

5 Sec. 444.032. TOURISM PROMOTION EFFORTS UNDER DIRECTION OF
6 ECONOMIC DEVELOPMENT COORDINATOR. An effort by the commission to
7 promote tourism is subject to the direction of the economic
8 development coordinator. The commission shall comply with a
9 direction given by the economic development coordinator relating to
10 the promotion of tourism.

11 SECTION 2.05. Subchapter B, Chapter 11, Parks and Wildlife
12 Code, is amended by adding Section 11.0305 to read as follows:

13 Sec. 11.0305. TOURISM PROMOTION EFFORTS UNDER DIRECTION OF
14 ECONOMIC DEVELOPMENT COORDINATOR. An effort by the department to
15 promote tourism is subject to the direction of the economic
16 development coordinator. The department shall comply with a
17 direction given by the economic development coordinator relating to
18 the promotion of tourism.

19 SECTION 2.06. Subchapter D, Chapter 201, Transportation
20 Code, is amended by adding Section 201.210 to read as follows:

21 Sec. 201.210. TOURISM PROMOTION EFFORTS UNDER DIRECTION OF
22 ECONOMIC DEVELOPMENT COORDINATOR. An effort by the department to
23 promote tourism is subject to the direction of the economic
24 development coordinator. The department shall comply with a
25 direction given by the economic development coordinator relating to
26 the promotion of tourism.

27 SECTION 2.07. The following laws are repealed:

- 1 (1) Sections 442.005(s) and (t), Government Code; and
2 (2) Sections 3(a)-(d), Chapter 193, Acts of the 56th
3 Legislature, Regular Session, 1959 (Article 6144e, Vernon's Texas
4 Civil Statutes).

5 SECTION 2.08. (a) On September 1, 2003:

6 (1) all functions and activities performed by the
7 Texas Historical Commission immediately before that date relating
8 to the promotion of historical tourism are transferred to the
9 economic development coordinator;

10 (2) all employees of the Texas Historical Commission
11 who primarily perform duties relating to the promotion of
12 historical tourism become employees of the economic development
13 coordinator;

14 (3) a rule, standard, or form adopted by the Texas
15 Historical Commission relating to the promotion of historical
16 tourism is a rule, standard, or form of the economic development
17 coordinator and remains in effect until altered by the economic
18 development coordinator;

19 (4) a reference in law to the Texas Historical
20 Commission that relates to functions and activities performed by
21 the Texas Historical Commission relating to the promotion of
22 historical tourism means the economic development coordinator;

23 (5) a proceeding involving the Texas Historical
24 Commission that is related to functions and activities performed by
25 the Texas Historical Commission relating to the promotion of
26 historical tourism is transferred without change in status to the
27 economic development coordinator, and the economic development

1 coordinator assumes without a change in status the position of the
2 Texas Historical Commission in a proceeding relating to functions
3 and activities performed by the Texas Historical Commission
4 relating to the promotion of historical tourism to which the Texas
5 Historical Commission is a party;

6 (6) all money, contracts, leases, rights, and
7 obligations of the Texas Historical Commission related to functions
8 and activities performed by the Texas Historical Commission
9 relating to the promotion of historical tourism are transferred to
10 the economic development coordinator;

11 (7) all property, including records, in the custody of
12 the Texas Historical Commission related to functions and activities
13 performed by the Texas Historical Commission relating to the
14 promotion of historical tourism becomes property of the economic
15 development coordinator; and

16 (8) all funds appropriated by the legislature to the
17 Texas Historical Commission for purposes related to functions and
18 activities performed by the Texas Historical Commission relating to
19 the promotion of historical tourism are transferred to the economic
20 development coordinator.

21 (b) On September 1, 2003:

22 (1) all functions and activities performed by the
23 Texas Department of Transportation immediately before that date
24 under Sections 3(a)-(d), Chapter 193, Acts of the 56th Legislature,
25 Regular Session, 1959 (Article 6144e, Vernon's Texas Civil
26 Statutes), including the operation of travel information centers,
27 are transferred to the economic development coordinator;

1 (2) all employees of the Texas Department of
2 Transportation who primarily perform duties under Sections
3 3(a)-(d), Chapter 193, Acts of the 56th Legislature, Regular
4 Session, 1959 (Article 6144e, Vernon's Texas Civil Statutes),
5 including the operation of travel information centers, become
6 employees of the economic development coordinator;

7 (3) a rule, standard, or form adopted by the Texas
8 Department of Transportation under Sections 3(a)-(d), Chapter 193,
9 Acts of the 56th Legislature, Regular Session, 1959 (Article 6144e,
10 Vernon's Texas Civil Statutes), is a rule, standard, or form of the
11 economic development coordinator and remains in effect until
12 altered by the economic development coordinator;

13 (4) a reference in law to the Texas Department of
14 Transportation that relates to functions and activities performed
15 by the Texas Department of Transportation under Sections 3(a)-(d),
16 Chapter 193, Acts of the 56th Legislature, Regular Session, 1959
17 (Article 6144e, Vernon's Texas Civil Statutes), means the economic
18 development coordinator;

19 (5) a proceeding involving the Texas Department of
20 Transportation that is related to functions and activities
21 performed by the Texas Department of Transportation under Sections
22 3(a)-(d), Chapter 193, Acts of the 56th Legislature, Regular
23 Session, 1959 (Article 6144e, Vernon's Texas Civil Statutes), is
24 transferred without change in status to the economic development
25 coordinator, and the economic development coordinator assumes
26 without a change in status the position of the Texas Department of
27 Transportation in a proceeding relating to functions and activities

1 performed by the Texas Department of Transportation under Sections
2 3(a)-(d), Chapter 193, Acts of the 56th Legislature, Regular
3 Session, 1959 (Article 6144e, Vernon's Texas Civil Statutes), to
4 which the Texas Department of Transportation is a party;

5 (6) all money, contracts, leases, rights, and
6 obligations of the Texas Department of Transportation related to
7 functions and activities performed by the Texas Department of
8 Transportation under Sections 3(a)-(d), Chapter 193, Acts of the
9 56th Legislature, Regular Session, 1959 (Article 6144e, Vernon's
10 Texas Civil Statutes), are transferred to the economic development
11 coordinator;

12 (7) all property, including records, in the custody of
13 the Texas Department of Transportation related to functions and
14 activities performed by the Texas Department of Transportation
15 under Sections 3(a)-(d), Chapter 193, Acts of the 56th Legislature,
16 Regular Session, 1959 (Article 6144e, Vernon's Texas Civil
17 Statutes), becomes property of the economic development
18 coordinator; and

19 (8) all funds appropriated by the legislature to the
20 Texas Department of Transportation for purposes related to
21 functions and activities performed by the Texas Department of
22 Transportation under Sections 3(a)-(d), Chapter 193, Acts of the
23 56th Legislature, Regular Session, 1959 (Article 6144e, Vernon's
24 Texas Civil Statutes), are transferred to the economic development
25 coordinator.

26 ARTICLE 3. TAX INCENTIVES FOR IDENTIFIED POTENTIAL NEW PROSPECTS

27 SECTION 3.01. Sections 171.723(a) and (d), Tax Code, are

1 amended to read as follows:

2 (a) The credit for any report equals 10 [~~five~~] percent of
3 the sum of:

4 (1) the excess of qualified research expenses incurred
5 in this state during the period upon which the tax is based over the
6 base amount for this state; and

7 (2) the basic research payments determined under
8 Section 41(e)(1)(A), Internal Revenue Code, for this state during
9 the period upon which the tax is based.

10 (d) In computing the credit under this section:

11 (1) [✓] a corporation may multiply by two the amount of
12 any qualified research expenses and basic research payments made in
13 a strategic investment area; or

14 (2) a corporation that is eligible for an increased
15 credit as provided by Section 481.144, Government Code, may
16 multiply by two the amount of any qualified research expenses and
17 basic research payments made on or before the third anniversary of
18 the date on which the corporation is identified as a potential new
19 prospect.

20 SECTION 3.02. Section 171.751(9), Tax Code, as effective
21 September 1, 2003, is amended to read as follows:

22 (9) "Qualifying job" means a new permanent full-time
23 job that:

24 (A) [~~is located in:~~

25 [~~(i) a strategic investment area,~~

26 [~~(ii) a county within this state with a~~

27 ~~population of less than 50,000, if the job is created by a business~~

1 ~~primarily engaged in agricultural processing, or~~

2 ~~[(iii) an enterprise zone or a readjustment~~
3 ~~zone, regardless of whether the job meets the qualifications~~
4 ~~prescribed by Paragraphs (B)-(F), if the job is created by a~~
5 ~~qualified business that has been designated as an enterprise~~
6 ~~project or defense readjustment project, respectively,~~

7 ~~[(B)]~~ requires at least 1,600 hours of work a
8 year;

9 (B) ~~[(C)]~~ pays at least 110 percent of the county
10 average weekly wage for the county where the job is located;

11 (C) ~~[(D)]~~ is covered by a group health benefit
12 plan for which the business pays at least 80 percent of the premiums
13 or other charges assessed under the plan for the employee;

14 (D) ~~[(E)]~~ is not transferred from one area in
15 this state to another area in this state; and

16 (E) ~~[(F)]~~ is not created to replace a previous
17 employee.

18 SECTION 3.03. Section 171.751(9), Tax Code, as effective
19 January 1, 2005, is amended to read as follows:

20 (9) "Qualifying job" means a new permanent full-time
21 job that:

22 (A) ~~[is located in:~~
23 ~~[(i) a strategic investment area, or~~
24 ~~[(ii) a county within this state with a~~
25 ~~population of less than 50,000, if the job is created by a business~~
26 ~~primarily engaged in agricultural processing,~~

27 ~~[(B)]~~ requires at least 1,600 hours of work a

1 year;

2 (B) [~~(C)~~] pays at least 110 percent of the county
3 average weekly wage for the county where the job is located;

4 (C) [~~(D)~~] is covered by a group health benefit
5 plan for which the business pays at least 80 percent of the premiums
6 or other charges assessed under the plan for the employee;

7 (D) [~~(E)~~] is not transferred from one area in
8 this state to another area in this state; and

9 (E) [~~(F)~~] is not created to replace a previous
10 employee.

11 SECTION 3.04. Section 171.753, Tax Code, is amended to read
12 as follows:

13 Sec. 171.753. CALCULATION OF CREDIT. (a) A corporation may
14 establish a credit equal to five percent of the total wages and
15 salaries paid by the corporation for qualifying jobs during the
16 period upon which the tax is based.

17 (b) A corporation that is eligible for an increased credit
18 as provided by Section 481.144, Government Code, may establish a
19 credit equal to:

20 (1) for the period on or before the third anniversary
21 of the date on which the corporation is identified as a potential
22 new prospect under Section 481.142, Government Code:

23 (A) 20 percent of the total wages and salaries
24 paid by the corporation for qualifying jobs during the period upon
25 which the tax is based; or

26 (B) 40 percent of the total wages and salaries
27 paid by the corporation for qualifying jobs in a strategic

1 investment area during the period upon which the tax is based; and
2 (2) for the period after the third anniversary and on
3 or before the sixth anniversary of the date on which the corporation
4 is identified as a potential new prospect under Section 481.142,
5 Government Code:

6 (A) 10 percent of the total wages and salaries
7 paid by the corporation for qualifying jobs during the period upon
8 which the tax is based; or

9 (B) 20 percent of the total wages and salaries
10 paid by the corporation for qualifying jobs in a strategic
11 investment area during the period upon which the tax is based.

12 SECTION 3.05. Section 171.755(a), Tax Code, is amended to
13 read as follows:

14 (a) The total credit claimed under this subchapter for a
15 report, including the amount of any carryforward credit under
16 Section 171.756, may not exceed 50 percent of the amount of
17 franchise tax due for the report before any other applicable tax
18 credits. This subsection does not apply to a corporation that is
19 eligible for an increased credit as provided by Section 481.144,
20 Government Code, on or before the third anniversary of the date on
21 which the corporation is identified as a potential new prospect
22 under Section 481.142, Government Code.

23 SECTION 3.06. Section 171.801(2), Tax Code, as effective
24 September 1, 2003, is amended to read as follows:

25 (2) "Qualified capital investment" means tangible
26 personal property first placed in service in this state [~~a~~
27 ~~strategic investment area, first placed in service in a county with~~

1 ~~a population of less than 50,000 by a corporation primarily engaged~~
2 ~~in agricultural processing, or first placed in service in an~~
3 ~~enterprise zone or defense readjustment zone by a qualified~~
4 ~~business that has been designated as an enterprise project or~~
5 ~~readjustment project, respectively, and] that is described in~~
6 Section 1245(a), Internal Revenue Code, such as engines, machinery,
7 tools, and implements used in a trade or business or held for
8 investment and subject to an allowance for depreciation, cost
9 recovery under the accelerated cost recovery system, or
10 amortization. The term does not include real property or buildings
11 and their structural components. Property that is leased under a
12 capitalized lease is considered a "qualified capital investment,"
13 but property that is leased under an operating lease is not
14 considered a "qualified capital investment." Property expensed
15 under Section 179, Internal Revenue Code, is not considered a
16 "qualified capital investment."

17 SECTION 3.07. Section 171.801(2), Tax Code, as effective
18 January 1, 2005, is amended to read as follows:

19 (2) "Qualified capital investment" means tangible
20 personal property first placed in service in this state [~~a~~
21 ~~strategic investment area, or first placed in service in a county~~
22 ~~with a population of less than 50,000 by a corporation primarily~~
23 ~~engaged in agricultural processing, and] that is described in
24 Section 1245(a), Internal Revenue Code, such as engines, machinery,
25 tools, and implements used in a trade or business or held for
26 investment and subject to an allowance for depreciation, cost
27 recovery under the accelerated cost recovery system, or~~

1 amortization. The term does not include real property or buildings
2 and their structural components. Property that is leased under a
3 capitalized lease is considered a "qualified capital investment,"
4 but property that is leased under an operating lease is not
5 considered a "qualified capital investment." Property expensed
6 under Section 179, Internal Revenue Code, is not considered a
7 "qualified capital investment."

8 SECTION 3.08. Section 171.803, Tax Code, is amended to read
9 as follows:

10 Sec. 171.803. CALCULATION OF CREDIT. (a) A corporation may
11 establish a credit equal to 7.5 percent of the qualified capital
12 investment during the period upon which the tax is based. A
13 corporation may establish a credit equal to 15 percent of the
14 qualified capital investment first placed into service in a
15 strategic investment area during the period upon which the tax is
16 based.

17 (b) A corporation that is eligible for an increased credit
18 as provided by Section 481.144, Government Code, may establish a
19 credit equal to:

20 (1) 20 percent of a qualified capital investment
21 during the period upon which the tax is based, on or before the
22 third anniversary of the date on which a corporation is identified
23 as a potential new prospect under Section 481.142, Government Code;
24 and

25 (2) 10 percent of a qualified capital investment
26 during the period upon which the tax is based, after the third
27 anniversary and on or before the sixth anniversary of the date on

1 which the corporation is identified as a potential new prospect
2 under Section 481.142, Government Code.

3 SECTION 3.09. Section 311.0125, Tax Code, is amended by
4 adding Subsection (e) to read as follows:

5 (e) In determining whether to approve an agreement to abate
6 taxes on real property in a reinvestment zone under Subsection (b),
7 the board of directors of the reinvestment zone and the governing
8 body of a taxing unit shall consider any recommendation made by the
9 economic development coordinator.

10 SECTION 3.10. Section 312.204, Tax Code, is amended by
11 adding Subsection (g) to read as follows:

12 (g) In determining whether to enter into a tax abatement
13 agreement under this section, the governing body of a municipality
14 shall consider any recommendation made by the economic development
15 coordinator.

16 SECTION 3.11. Section 312.402, Tax Code, is amended by
17 adding Subsection (f) to read as follows:

18 (f) In determining whether to enter into a tax abatement
19 agreement under this section, the commissioners court of a county
20 shall consider any recommendation made by the economic development
21 coordinator.

22 SECTION 3.12. Section 313.025, Tax Code, is amended by
23 adding Subsection (g) to read as follows:

24 (g) In determining whether to grant an application, the
25 governing body of the school district shall consider any
26 recommendation made by the economic development coordinator.

27 ARTICLE 4. CHANGES RELATING TO JOBS CREATION FUNDING

1 SECTION 4.01. Section 204.006(a), Labor Code, is amended to
2 read as follows:

3 (a) A person's contribution rate for the calendar year in
4 which the person becomes an employer is the greater of:

5 (1) the rate established for that year for the major
6 group to which the employer is assigned under Section 204.004; or

7 (2) two and six-tenths [~~seven-tenths~~] percent.

8 SECTION 4.02. Section 204.062(a), Labor Code, is amended to
9 read as follows:

10 (a) In addition to the general tax computed under Subchapter
11 C, an employer entitled to an experience rate shall pay a
12 replenishment tax at the rate computed by:

13 (1) dividing the numerator described by Subsection (b)
14 by the denominator described by Subsection (c);

15 (2) multiplying that result by 100 to obtain a
16 percentage; [~~and~~]

17 (3) rounding that result to the nearest hundredth; and

18 (4) subtracting 0.1 from the resulting quotient.

19 SECTION 4.03. Chapter 204, Labor Code, is amended by adding
20 Subchapter H to read as follows:

21 SUBCHAPTER H. JOBS CREATION AND TRAINING ASSESSMENT; FUNDS

22 Sec. 204.141. JOBS CREATION AND TRAINING ASSESSMENT. (a)

23 In addition to any other taxes imposed by this subtitle, a jobs
24 creation and training assessment is imposed on each employer paying
25 contributions under this subtitle as a separate assessment of
26 one-tenth percent of wages paid by the employer.

27 (b) The commission shall deposit the revenue from the jobs

1 creation and training assessment to the credit of the holding fund
2 created under Section 204.142.

3 (c) The jobs creation and training assessment is due at the
4 same time, collected in the same manner, and subject to the same
5 penalties and interest as other contributions assessed under this
6 subtitle.

7 Sec. 204.142. HOLDING FUND. (a) The holding fund is a
8 special trust fund in the custody of the comptroller separate and
9 apart from all public money or funds of this state.

10 (b) The comptroller shall administer the holding fund in
11 accordance with the directions of the commission. Interest
12 accruing on amounts in the holding fund shall be deposited
13 quarterly to the credit of the compensation fund.

14 Sec. 204.143. TRANSFER TO JOBS CREATION FUND. (a) If, on
15 September 1 of a year, the commission determines that the amount in
16 the compensation fund will exceed 100 percent of its floor as
17 computed under Section 204.061 on the next October 1 computation
18 date, the commission shall transfer from the holding fund created
19 under Section 204.142:

20 (1) 80 percent of the amount in the holding fund to the
21 jobs creation fund created under Section 481.151, Government Code;
22 and

23 (2) 20 percent of the amount in the holding fund to the
24 jobs creation rainy day fund created under Section 481.152,
25 Government Code.

26 (b) If, on September 1 of a year, the commission determines
27 that the amount in the compensation fund will be at or below 100

1 percent of its floor as computed under Section 204.061 on the next
2 October 1 computation date, the commission shall transfer to the
3 compensation fund as is necessary to raise the amount in the
4 compensation fund to 100 percent of its floor, up to and including
5 the entire amount in the holding fund. The commission shall
6 transfer any remaining balance in the holding fund to the jobs
7 creation fund and the jobs creation rainy day fund in the
8 percentages prescribed by Subsection (a).

9 SECTION 4.04. Section 57.043, Utilities Code, is amended by
10 adding Subsection (d) to read as follows:

11 (d) The comptroller may, at the request of the governor,
12 transfer money from the telecommunications infrastructure fund to
13 the jobs creation fund to be used for training programs and distance
14 learning.

15 ARTICLE 5. EFFECTIVE DATE; TRANSITION

16 SECTION 5.01. (a) Except as provided by Subsection (b) of
17 this section, this Act takes effect September 1, 2003.

18 (b) Sections 3.03 and 3.07 of this Act take effect September
19 1, 2005.

20 SECTION 5.02. The changes in law made by Article 3 of this
21 Act apply only to taxes imposed on or after the effective date of
22 this Act. Taxes imposed before the effective date of this Act are
23 governed by the law as it existed immediately before that date, and
24 the former law is continued in effect for purposes of liability for
25 and collection of those taxes.