

By: Brimer, Ellis

S.B. No. 1771

A BILL TO BE ENTITLED

AN ACT

relating to economic development programs and funding.

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

SECTION 1. Subchapter B, Chapter 481, Government Code, is amended by adding Section 481.0215 to read as follows:

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

(b) At the direction of the governor, the executive director of the department shall work with each state agency that administers a program relating to job training or job creation, including the Texas Workforce Commission, the Council on Workforce and Economic Competitiveness, the Department of Agriculture, and the Office of Rural Affairs, to address the challenges facing the agencies relating to job training and job creation.

(c) The executive director of the department may form partnerships or enter into agreements with private entities and develop connections with existing businesses in this state for the purpose of improving the marketing of this state through networking and clarifying the potential of the businesses for expansion.

SECTION 2. Subchapter E, Chapter 481, Government Code, is amended by adding Section 481.078 to read as follows:

1 Sec. 481.078. TEXAS ENTERPRISE FUND. (a) The Texas
2 enterprise fund is an account in the general revenue fund.

3 (b) The following amounts shall be deposited in the fund:

4 (1) any amounts appropriated by the legislature for
5 the fund;

6 (2) interest earned on the investment of money in the
7 fund; and

8 (3) gifts, grants, and other donations received for
9 the fund.

10 (c) The fund may be used for economic development,
11 infrastructure development, community development, job training
12 programs, and business incentives.

13 (d) The fund may be temporarily used by the comptroller for
14 cash management purposes.

15 (e) The governor may negotiate on behalf of the state to
16 grant money from the fund and may only direct the use of money from
17 the fund with the express written consent of the Legislative Budget
18 Board.

19 (f) Before granting money from the fund, the governor may
20 enter into a written agreement with the entity being granted funds
21 specifying that:

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

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

1 (B) ensure that if the capital improvement is
2 sold, the recipient repays the department, with interest at the
3 agreed rate and terms, any state money used to pay for the capital
4 improvement and shares with this state a proportionate amount of
5 any profit realized from the sale; and

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

11 SECTION 3. Subchapter K, Chapter 481, Government Code, is
12 amended by adding Section 481.169 to read as follows:

13 Sec. 481.169. ADVISORY BOARD OF ECONOMIC DEVELOPMENT
14 STAKEHOLDERS. (a) An advisory board of economic development
15 stakeholders is created to assist the department.

16 (b) The advisory board is composed of seven members who
17 serve staggered four-year terms. The governor shall appoint three
18 members, the lieutenant governor shall appoint two members, and the
19 speaker of the house of representatives shall appoint two members
20 to the advisory board. The governor, lieutenant governor, and
21 speaker of the house of representatives shall each appoint one of
22 the initial members to a two-year term. Thereafter, each member of
23 the advisory board shall be appointed to a four-year term.

24 (c) The advisory board shall collect and disseminate
25 information on federal, state, local, and private community
26 economic development programs, including loans, grants, and other
27 funding sources.

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

3 (e) The Texas Department of Economic Development may
4 recommend that a taxing unit enter into a tax abatement agreement
5 with a person under this chapter. In determining whether to approve
6 an agreement to abate taxes on real property in a reinvestment zone
7 under Subsection (b), the board of directors of the reinvestment
8 zone and the governing body of a taxing unit shall consider any
9 recommendation made by the Texas Department of Economic
10 Development.

11 SECTION 5. Section 312.204, Tax Code, is amended by adding
12 Subsection (g) to read as follows:

13 (g) The Texas Department of Economic Development may
14 recommend that a taxing unit enter into a tax abatement agreement
15 with a person under this chapter. In determining whether to enter
16 into a tax abatement agreement under this section, the governing
17 body of a municipality shall consider any recommendation made by
18 the Texas Department of Economic Development.

19 SECTION 6. Section 312.402, Tax Code, is amended by adding
20 Subsection (f) to read as follows:

21 (f) The Texas Department of Economic Development may
22 recommend that a taxing unit enter into a tax abatement agreement
23 with a person under this chapter. In determining whether to enter
24 into a tax abatement agreement under this section, the
25 commissioners court of a county shall consider any recommendation
26 made by the Texas Department of Economic Development.

27 SECTION 7. Section 313.025, Tax Code, is amended by adding

1 Subsection (g) to read as follows:

2 (g) The Texas Department of Economic Development may
3 recommend that a school district grant a person a limitation on
4 appraised value under this chapter. In determining whether to
5 grant an application, the governing body of the school district
6 shall consider any recommendation made by the Texas Department of
7 Economic Development.

8 SECTION 8. This Act takes effect September 1, 2003.