

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 or its successor 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 or its successor 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 or its successor 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.

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

3 Sec. 481.078. TEXAS ENTERPRISE FUND. (a) The Texas  
4 Enterprise Fund is a dedicated account in the general revenue fund.

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

6 (1) any amounts appropriated by the legislature for  
7 the fund for purposes described by this section;

8 (2) interest earned on the investment of money in the  
9 fund; and

10 (3) gifts, grants, and other donations received for  
11 the fund.

12 (c) Except as provided by Subsection (d), the fund may be  
13 used only for economic development, infrastructure development,  
14 community development, job training programs, and business  
15 incentives.

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

18 (e) The administration of the fund is considered to be a  
19 trusteed program within the office of the governor. The governor  
20 may negotiate on behalf of the state regarding awarding, by grant,  
21 money appropriated from the fund. The governor may award money  
22 appropriated from the fund only with the express written prior  
23 approval of the lieutenant governor and speaker of the house of  
24 representatives.

25 (f) Before awarding a grant under this section, the governor  
26 may enter into a written agreement with the entity to be awarded the  
27 grant money specifying that:

1           (1) if all or any portion of the amount of the grant is  
2 used to build a capital improvement:

3           (A) the state retains a lien or other interest in  
4 the capital improvement in proportion to the percentage of the  
5 grant amount used to pay for the capital improvement; and

6           (B) the recipient of the grant shall, if the  
7 capital improvement is sold:

8           (i) repay to the state the grant money used  
9 to pay for the capital improvement, with interest at the rate and  
10 according to the other terms provided by the agreement; and

11           (ii) share with the state a proportionate  
12 amount of any profit realized from the sale; and

13           (2) if, as of a date certain provided in the agreement,  
14 the grant recipient has not used grant money awarded under this  
15 section for the purposes for which the grant was intended, the  
16 recipient shall repay that amount and any related interest to the  
17 state at the agreed rate and on the agreed terms.

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

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

23           (b) The advisory board is composed of seven members who  
24 serve staggered four-year terms. The governor shall appoint three  
25 members, the lieutenant governor shall appoint two members, and the  
26 speaker of the house of representatives shall appoint two members  
27 to the advisory board. The governor, lieutenant governor, and

1 speaker of the house of representatives shall each appoint one of  
2 the initial members to a two-year term. Thereafter, each member of  
3 the advisory board shall be appointed to a four-year term.

4 (c) The advisory board shall collect and disseminate  
5 information on federal, state, local, and private community  
6 economic development programs, including loans, grants, and other  
7 funding sources.

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

10 (e) The Texas Department of Economic Development or its  
11 successor may recommend that a taxing unit enter into a tax  
12 abatement agreement with a person under this chapter. In  
13 determining whether to approve an agreement to abate taxes on real  
14 property in a reinvestment zone under Subsection (b), the board of  
15 directors of the reinvestment zone and the governing body of a  
16 taxing unit shall consider any recommendation made by the Texas  
17 Department of Economic Development or its successor.

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

20 (g) The Texas Department of Economic Development or its  
21 successor may recommend that a taxing unit enter into a tax  
22 abatement agreement with a person under this chapter. In  
23 determining whether to enter into a tax abatement agreement under  
24 this section, the governing body of a municipality shall consider  
25 any recommendation made by the Texas Department of Economic  
26 Development or its successor.

27 SECTION 6. Section 312.402, Tax Code, is amended by adding

1 Subsection (f) to read as follows:

2 (f) The Texas Department of Economic Development or its  
3 successor may recommend that a taxing unit enter into a tax  
4 abatement agreement with a person under this chapter. In  
5 determining whether to enter into a tax abatement agreement under  
6 this section, the commissioners court of a county shall consider  
7 any recommendation made by the Texas Department of Economic  
8 Development or its successor.

9 SECTION 7. Section 313.025, Tax Code, is amended by adding  
10 Subsection (g) to read as follows:

11 (g) The Texas Department of Economic Development or its  
12 successor may recommend that a school district grant a person a  
13 limitation on appraised value under this chapter. In determining  
14 whether to grant an application, the governing body of the school  
15 district shall consider any recommendation made by the Texas  
16 Department of Economic Development or its successor.

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

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Speaker of the House

I hereby certify that S.B. No. 1771 passed the Senate on May 5, 2003, by a viva-voce vote; May 31, 2003, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 31, 2003, House granted request of the Senate; June 1, 2003, Senate adopted Conference Committee Report by a viva-voce vote.

\_\_\_\_\_  
Secretary of the Senate

I hereby certify that S.B. No. 1771 passed the House, with amendments, on May 28, 2003, by the following vote: Yeas 139, Nays 0, two present not voting; May 31, 2003, House granted request of the Senate for appointment of Conference Committee; June 1, 2003, House adopted Conference Committee Report by a non-record vote.

\_\_\_\_\_  
Chief Clerk of the House

Approved:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Governor