

By: Brimer, et al.

S.B. No. 1771

Substitute the following for S.B. No. 1771:

By: Keffer of Eastland

C.S.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 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 governor may negotiate on behalf of the state
19 regarding awarding, by grant, money appropriated from the fund.
20 The governor may award money appropriated from the fund only with
21 the express written prior approval of the lieutenant governor and
22 speaker of the house of representatives.

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

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

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

4 (B) the recipient of the grant shall, if the
5 capital improvement is sold:

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

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

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

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

18 (e) The Texas Department of Economic Development or its
19 successor may recommend that a taxing unit enter into a tax
20 abatement agreement with a person under this chapter. In
21 determining whether to approve an agreement to abate taxes on real
22 property in a reinvestment zone under Subsection (b), the board of
23 directors of the reinvestment zone and the governing body of a
24 taxing unit shall consider any recommendation made by the Texas
25 Department of Economic Development or its successor.

26 SECTION 4. Section 312.204, Tax Code, is amended by adding
27 Subsection (g) to read as follows:

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

8 SECTION 5. Section 312.402, Tax Code, is amended by adding
9 Subsection (f) to read as follows:

10 (f) 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 enter into a tax abatement agreement under
14 this section, the commissioners court of a county shall consider
15 any recommendation made by the Texas Department of Economic
16 Development or its successor.

17 SECTION 6. Section 313.025, Tax Code, is amended by adding
18 Subsection (g) to read as follows:

19 (g) The Texas Department of Economic Development or its
20 successor may recommend that a school district grant a person a
21 limitation on appraised value under this chapter. In determining
22 whether to grant an application, the governing body of the school
23 district shall consider any recommendation made by the Texas
24 Department of Economic Development or its successor.

25 SECTION 7. This Act takes effect immediately if it receives
26 a vote of two-thirds of all the members elected to each house, as
27 provided by Section 39, Article III, Texas Constitution. If this

C.S.S.B. No. 1771

- 1 Act does not receive the vote necessary for immediate effect, this
- 2 Act takes effect September 1, 2003.