

1-1 By: Brimer S.B. No. 1771
1-2 (In the Senate - Filed March 14, 2003; March 24, 2003, read
1-3 first time and referred to Committee on Government Organization;
1-4 April 30, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 7, Nays 0; April 30, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 1771 By: Brimer

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to economic development programs and funding.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subchapter B, Chapter 481, Government Code, is
1-13 amended by adding Section 481.0215 to read as follows:

1-14 Sec. 481.0215. COORDINATION OF ECONOMIC DEVELOPMENT
1-15 EFFORTS. (a) The executive director of the department shall work
1-16 with the legislature and state agencies to identify grants and
1-17 programs at all levels of government and to maximize access to
1-18 federal funds for economic development.

1-19 (b) At the direction of the governor, the executive director
1-20 of the department shall work with each state agency that
1-21 administers a program relating to job training or job creation,
1-22 including the Texas Workforce Commission, the Council on Workforce
1-23 and Economic Competitiveness, the Department of Agriculture, and
1-24 the Office of Rural Affairs, to address the challenges facing the
1-25 agencies relating to job training and job creation.

1-26 (c) The executive director of the department may form
1-27 partnerships or enter into agreements with private entities and
1-28 develop connections with existing businesses in this state for the
1-29 purpose of improving the marketing of this state through networking
1-30 and clarifying the potential of the businesses for expansion.

1-31 SECTION 2. Subchapter E, Chapter 481, Government Code, is
1-32 amended by adding Section 481.078 to read as follows:

1-33 Sec. 481.078. TEXAS ENTERPRISE FUND. (a) The Texas
1-34 enterprise fund is an account in the general revenue fund.

1-35 (b) The following amounts shall be deposited in the fund:

1-36 (1) any amounts appropriated by the legislature for
1-37 the fund;

1-38 (2) interest earned on the investment of money in the
1-39 fund; and

1-40 (3) gifts, grants, and other donations received for
1-41 the fund.

1-42 (c) The fund may be used for economic development,
1-43 infrastructure development, community development, job training
1-44 programs, and business incentives.

1-45 (d) The fund may be temporarily used by the comptroller for
1-46 cash management purposes.

1-47 (e) The governor may negotiate on behalf of the state to
1-48 grant money from the fund and may only direct the use of money from
1-49 the fund with the express written consent of the Legislative Budget
1-50 Board.

1-51 (f) Before granting money from the fund, the governor may
1-52 enter into a written agreement with the entity being granted funds
1-53 specifying that:

1-54 (1) if all or any portion of the amount of the grant is
1-55 used to build infrastructure or make any other type of capital
1-56 improvement, the state must:

1-57 (A) retain a lien or other interest in the
1-58 capital improvement in proportion to the percentage of the grant
1-59 amount used to pay for the capital improvement; and

1-60 (B) ensure that if the capital improvement is
1-61 sold, the recipient repays the department, with interest at the
1-62 agreed rate and terms, any state money used to pay for the capital
1-63 improvement and shares with this state a proportionate amount of

2-1 any profit realized from the sale; and
2-2 (2) if, on the expiration of a date provided in the
2-3 agreement, the grant recipient fails to use an amount awarded under
2-4 this section for any of the purposes for which the grant was
2-5 intended, the recipient shall repay that amount and any related
2-6 interest to the state at the agreed rate and on the agreed terms.

2-7 SECTION 3. Subchapter K, Chapter 481, Government Code, is
2-8 amended by adding Section 481.169 to read as follows:

2-9 Sec. 481.169. ADVISORY BOARD OF ECONOMIC DEVELOPMENT
2-10 STAKEHOLDERS. (a) An advisory board of economic development
2-11 stakeholders is created to assist the department.

2-12 (b) The advisory board is composed of seven members who
2-13 serve staggered four-year terms. The governor shall appoint three
2-14 members, the lieutenant governor shall appoint two members, and the
2-15 speaker of the house of representatives shall appoint two members
2-16 to the advisory board. The governor, lieutenant governor, and
2-17 speaker of the house of representatives shall each appoint one of
2-18 the initial members to a two-year term. Thereafter, each member of
2-19 the advisory board shall be appointed to a four-year term.

2-20 (c) The advisory board shall collect and disseminate
2-21 information on federal, state, local, and private community
2-22 economic development programs, including loans, grants, and other
2-23 funding sources.

2-24 SECTION 4. Section 311.0125, Tax Code, is amended by adding
2-25 Subsection (e) to read as follows:

2-26 (e) The Texas Department of Economic Development may
2-27 recommend that a taxing unit enter into a tax abatement agreement
2-28 with a person under this chapter. In determining whether to approve
2-29 an agreement to abate taxes on real property in a reinvestment zone
2-30 under Subsection (b), the board of directors of the reinvestment
2-31 zone and the governing body of a taxing unit shall consider any
2-32 recommendation made by the Texas Department of Economic
2-33 Development.

2-34 SECTION 5. Section 312.204, Tax Code, is amended by adding
2-35 Subsection (g) to read as follows:

2-36 (g) The Texas Department of Economic Development may
2-37 recommend that a taxing unit enter into a tax abatement agreement
2-38 with a person under this chapter. In determining whether to enter
2-39 into a tax abatement agreement under this section, the governing
2-40 body of a municipality shall consider any recommendation made by
2-41 the Texas Department of Economic Development.

2-42 SECTION 6. Section 312.402, Tax Code, is amended by adding
2-43 Subsection (f) to read as follows:

2-44 (f) The Texas Department of Economic Development may
2-45 recommend that a taxing unit enter into a tax abatement agreement
2-46 with a person under this chapter. In determining whether to enter
2-47 into a tax abatement agreement under this section, the
2-48 commissioners court of a county shall consider any recommendation
2-49 made by the Texas Department of Economic Development.

2-50 SECTION 7. Section 313.025, Tax Code, is amended by adding
2-51 Subsection (g) to read as follows:

2-52 (g) The Texas Department of Economic Development may
2-53 recommend that a school district grant a person a limitation on
2-54 appraised value under this chapter. In determining whether to
2-55 grant an application, the governing body of the school district
2-56 shall consider any recommendation made by the Texas Department of
2-57 Economic Development.

2-58 SECTION 8. This Act takes effect September 1, 2003.

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