

By: Keffer of Eastland

H.B. No. 171

A BILL TO BE ENTITLED

AN ACT

relating to certain state fiscal matters.

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

SECTION 1. Section 404.024, Government Code, is amended by amending Subsections (b) and (l) and adding Subsections (n) and (o) to read as follows:

(b) State funds not deposited in state depositories shall be invested by the comptroller in:

(1) direct security repurchase agreements;

(2) reverse security repurchase agreements;

(3) direct obligations of or obligations the principal and interest of which are guaranteed by the United States;

(4) direct obligations of or obligations guaranteed by agencies or instrumentalities of the United States government;

(5) bankers' acceptances that:

(A) are eligible for purchase by the Federal Reserve System;

(B) do not exceed 270 days to maturity; and

(C) are issued by a bank whose other comparable short-term obligations are rated in [that has received] the highest short-term [credit] rating category, within which there may be subcategories or gradations, including such subcategories or gradations as "rating category" or "rated," indicating relative standing by a nationally recognized statistical rating

1 organization, as defined by Rule 2a-7 (17 C.F.R. Section 270.2a-7),
2 promulgated under the Investment Company Act of 1940 by the
3 Securities and Exchange Commission [~~investment rating firm~~];

4 (6) commercial paper that:

5 (A) does not exceed 270 days to maturity; and

6 (B) except as provided by Subsection (i), is
7 issued by an entity whose other comparable short-term obligations
8 are rated in [~~has received~~] the highest short-term [~~credit~~] rating
9 category by a nationally recognized statistical rating
10 organization [~~investment rating firm~~];

11 (7) contracts written by the treasury in which the
12 treasury grants the purchaser the right to purchase securities in
13 the treasury's marketable securities portfolio at a specified price
14 over a specified period and for which the treasury is paid a fee and
15 specifically prohibits naked-option or uncovered option trading;

16 (8) direct obligations of or obligations guaranteed by
17 the Inter-American Development Bank, the International Bank for
18 Reconstruction and Development (the World Bank), the African
19 Development Bank, the Asian Development Bank, and the International
20 Finance Corporation that have received the highest long-term
21 [~~credit~~] rating categories for debt obligations by a nationally
22 recognized statistical rating organization [~~investment rating~~
23 ~~firm~~];

24 (9) bonds issued, assumed, or guaranteed by the State
25 of Israel;

26 (10) obligations of a state or an agency, county,
27 city, or other political subdivision of a state;

1 (11) mutual funds secured by obligations that are
2 described by Subdivisions (1) through (6), including pooled funds:

3 (A) established by the Texas Treasury
4 Safekeeping Trust Company;

5 (B) operated like a mutual fund; and

6 (C) with portfolios consisting only of
7 dollar-denominated securities; ~~and~~

8 (12) foreign currency for the sole purpose of
9 facilitating investment by state agencies that have the authority
10 to invest in foreign securities;

11 (13) asset-backed securities, as defined by the
12 Securities and Exchange Commission in Rule 2a-7 (17 C.F.R. Section
13 270.2a-7), that are rated at least A or its equivalent by a
14 nationally recognized statistical rating organization and that
15 have a weighted-average maturity of five years or less; and

16 (14) corporate debt obligations that are rated at
17 least A or its equivalent by a nationally recognized statistical
18 rating organization and mature in five years or less from the date
19 on which the obligations were "acquired," as defined by the
20 Securities and Exchange Commission in Rule 2a-7 (17 C.F.R. Section
21 270.2a-7).

22 (1) The comptroller may lend securities under procedures
23 established by the comptroller. The procedures must be consistent
24 with industry practice and must include a requirement to fully
25 secure the loan with cash, obligations described by Subsections
26 (b)(1)-(6), or a combination of cash and the described obligations.
27 Notwithstanding any provision to the contrary, cash may be

1 reinvested in the items permitted under Subsection (b) or mutual
2 funds secured by the items permitted under Subsection (b) [In this
3 subsection, "obligation" means an item described by Subsections
4 (b)(1)-(6)].

5 (n) In entering into a direct security repurchase agreement
6 or a reverse security repurchase agreement, the comptroller may
7 agree to accept cash on an overnight basis in lieu of the
8 securities, obligations, or participation certificates identified
9 in Section 404.001(3). Cash held by the state under this subsection
10 is not a deposit of state or public funds for purposes of any
11 statute, including this subchapter or Subchapter D, that requires a
12 deposit of state or public funds to be collateralized by eligible
13 securities.

14 (o) Notwithstanding any other law to the contrary, any
15 government investment pool created to function as a money market
16 mutual fund and managed by the comptroller or the Texas Treasury
17 Safekeeping Trust Company may invest the funds it receives in
18 investments that are "eligible securities," as defined by the
19 Securities and Exchange Commission in Rule 2a-7 (17 C.F.R. Section
20 270.2a-7), if it maintains a dollar-weighted average portfolio
21 maturity of 90 days or less, with the maturity of each portfolio
22 security calculated in accordance with Rule 2a-7 (17 C.F.R. Section
23 270.2a-7), and meets the diversification requirements of Rule 2a-7.

24 SECTION 2. (a) Section 2107.003, Government Code, is
25 amended to read as follows:

26 Sec. 2107.003. COLLECTION BY ATTORNEY GENERAL,
27 COMPTROLLER, OR OUTSIDE AGENT. (a) Except as provided by Section

1 2107.004 [~~Subsection (c)~~], a state agency shall report an
2 uncollected and delinquent obligation to [~~request~~] the attorney
3 general for collection. The state agency must report the
4 obligation on or before the 120th day after the date the obligation
5 becomes past due or delinquent [~~to collect an obligation before the~~
6 ~~agency may employ, retain, or contract with a person other than a~~
7 ~~full-time employee of the state agency to collect the obligation~~].

8 (b) The attorney general:

9 (1) shall provide legal services for collection of the
10 obligation;

11 (2) may authorize the requesting state agency to
12 employ, retain, or contract, subject to approval by the attorney
13 general, with one or more persons to collect the obligation; or

14 (3) if the attorney general determines it to be
15 economical and in the best interest of the state, may contract with
16 one or more persons [~~a person other than a full-time employee of the~~
17 ~~agency~~] to collect the [~~an~~] obligation [~~that the attorney general~~
18 ~~cannot collect~~].

19 (c) The comptroller may employ, retain, or contract with a
20 person other than a full-time state employee to collect delinquent
21 obligations that are owed the comptroller in the comptroller's
22 official capacity, are not collected through normal collection
23 procedures, and do not meet the guidelines adopted for collection
24 by the attorney general. A proposed contract under this subsection
25 shall be reviewed by the attorney general and may include a
26 collection fee computed on the amounts collected under the
27 contract.

1 (d) The agency contracting under Subsection (b) is entitled
2 to recover from the obligor, in addition to the amount of the
3 obligation, the costs incurred in undertaking the collection,
4 including the costs of a contract under this section. The obligor
5 is liable for costs of recovery under this section in an amount not
6 to exceed 30 percent of the sum of the amount of the obligation and
7 any penalty and interest due on the obligation.

8 (e) A contract formed under Subsection (b) must provide for
9 the compensation due to the contractor. The amount of the
10 compensation may not exceed 30 percent of the sum of the collected
11 amount of:

- 12 (1) the obligation;
- 13 (2) any penalty; and
- 14 (3) any interest.

15 (f) A contract formed under Subsection (b) or (c) may permit
16 or require the contractor to pursue a judicial action to collect the
17 amount of the obligation in a proper court in or outside of this
18 state.

19 (g) In a suit in a Texas state court brought by a contractor
20 to collect an obligation under this section, the state is not:

- 21 (1) required to post security for costs;
- 22 (2) liable for costs; and
- 23 (3) liable for fees for:
 - 24 (A) service of process;
 - 25 (B) attorneys ad litem;
 - 26 (C) arbitration; or
 - 27 (D) mediation.

1 (h) An amount collected under a contract formed under
2 Subsection (b), including the costs of recovery and court costs or
3 other costs, shall be deposited in the fund or account to which the
4 obligation was required to be deposited. The contracting agency
5 shall pay the compensation due under the contract to the contractor
6 and shall pay to the applicable court any court costs collected.

7 (i) The contracting agency shall require a person
8 contracting under Subsection (b) to post a bond or other security in
9 an amount the contracting agency determines is sufficient to cover
10 all revenue or other property of the state that is expected to come
11 into the possession or control of the contractor in the course of
12 providing contract services.

13 (j) A person who contracts under Subsection (b) is an agent
14 of this state for purposes of determining priority of a claim to be
15 collected under the contract with respect to claims of other
16 creditors. The contractor does not exercise any sovereign power of
17 the state.

18 (k) The contracting state agency may provide a person
19 contracting under Subsection (b) any information, including
20 confidential information, that the agency is not prohibited from
21 sharing under an agreement with another state or with the United
22 States and that is:

23 (1) in the custody of the agency holding the claim; and

24 (2) necessary to the collection of the obligation.

25 (l) A person acting under a contract formed under Subsection
26 (b) or (c) and each employee or agent of that person is subject to
27 all prohibitions against the disclosure of confidential

1 information obtained from the contracting agency, the reporting
2 state agency, or their employees. A contractor or the contractor's
3 employee or agent who discloses confidential information in
4 violation of the prohibition is subject to the same penalties for
5 that disclosure as would apply to the contracting agency or its
6 employees.

7 (m) The contracting agency shall require a person who
8 contracts under Subsection (b) to obtain and maintain insurance
9 adequate to provide reasonable coverage for damages negligently,
10 recklessly, or intentionally caused by the contractor or the
11 contractor's employee or agent in the course of collecting an
12 obligation under the contract and to protect this state from
13 liability for those damages. The state is not liable for and may
14 not indemnify a person acting under a contract under Subsection (b)
15 for damages negligently, recklessly, or intentionally caused by the
16 contractor or the contractor's employee or agent in the course of
17 collecting an obligation under the contract.

18 (n) In addition to grounds for termination provided by the
19 contract terms, the attorney general or the contracting agency, as
20 applicable, may terminate a contract formed under Subsection (b) if
21 the contractor or the contractor's employee or agent:

22 (1) violates the federal Fair Debt Collection
23 Practices Act (15 U.S.C. Section 1692 et seq.);

24 (2) discloses confidential information to a person not
25 authorized to receive the information; or

26 (3) performs any act that results in a final judgment
27 for damages against this state.

1 (b) Section 2254.102(c), Government Code, is amended to
2 read as follows:

3 (c) This subchapter does not apply to a contract:

4 (1) with an agency to collect an obligation under
5 Section 2107.003(b); or

6 (2) for legal services entered into by an institution
7 of higher education under Section 153.006, Education Code.

8 SECTION 3. (a) The heading to Section 2303.504, Government
9 Code, is amended to read as follows:

10 Sec. 2303.504. STATE TAX REFUNDS AND CREDITS; REPORT.

11 (b) Section 2303.504, Government Code, is amended by adding
12 Subsection (a-1) and amending Subsection (c) to read as follows:

13 (a-1) Subject to Section 2303.516, an enterprise project is
14 entitled to a franchise tax credit under Subchapter P-1 or Q-1,
15 Chapter 171, Tax Code, but only if the enterprise project:

16 (1) is owned by a corporation that was obligated to pay
17 the franchise tax under Chapter 171, Tax Code, as that chapter
18 existed on December 31, 2004;

19 (2) is not located in an enterprise zone;

20 (3) was designated as an enterprise project on or
21 after September 1, 2004; and

22 (4) was approved as a triple jumbo enterprise project
23 as described by Section 2303.407 on or after September 1, 2004, and
24 on or before November 30, 2004.

25 (c) Not later than the 60th day after the last day of each
26 fiscal year, the comptroller shall report to the bank the statewide
27 total of actual jobs created, actual jobs retained, and the tax

1 refunds and credits made under this section during that fiscal
2 year.

3 (c) Chapter 171, Tax Code, is amended by adding Subchapters
4 P-1 and Q-1 to read as follows:

5 SUBCHAPTER P-1. TAX CREDITS FOR ENTERPRISE PROJECTS FOR CERTAIN
6 JOB CREATION ACTIVITIES

7 Sec. 171.781. DEFINITIONS. In this subchapter:

8 (1) "Enterprise project" means a person designated as
9 an enterprise project under Chapter 2303, Government Code.

10 (2) "Qualified business" means an establishment that:

11 (A) is owned by a corporation that was obligated
12 to pay the franchise tax under this chapter as it existed on
13 December 31, 2004;

14 (B) is not located in an enterprise zone;

15 (C) was designated as an enterprise project on or
16 after September 1, 2004; and

17 (D) was approved as a triple jumbo enterprise
18 project as described by Section 2303.407, Government Code, on or
19 after September 1, 2004, and on or before November 30, 2004.

20 (3) "Qualifying job" means a new permanent full-time
21 job created by an enterprise project.

22 Sec. 171.7811. APPLICABILITY OF SUBCHAPTER. This
23 subchapter applies only to an enterprise project that:

24 (1) is owned by a corporation that was obligated to pay
25 the franchise tax under this chapter as it existed on December 31,
26 2004;

27 (2) is not located in an enterprise zone;

1 (3) was designated as an enterprise project on or
2 after September 1, 2004; and

3 (4) was approved as a triple jumbo enterprise project
4 as described by Section 2303.407, Government Code, on or after
5 September 1, 2004, and on or before November 30, 2004.

6 Sec. 171.782. ELIGIBILITY. An enterprise project is
7 eligible for a credit against the tax imposed under this chapter if
8 the enterprise project is a qualified business as defined in
9 Section 171.781.

10 Sec. 171.783. CALCULATION OF CREDIT. (a) An enterprise
11 project that is eligible for a credit under this subchapter may
12 establish a credit equal to 25 percent of the total wages and
13 salaries paid or to be paid by the enterprise project for qualifying
14 jobs created during the period beginning on the date the project is
15 designated as an enterprise project through December 31, 2009.

16 (b) Subject to Sections 171.784 and 171.785, the enterprise
17 project may claim:

18 (1) the entire amount of the credit established under
19 Subsection (a) on the first report originally due on or after
20 September 1, 2006; or

21 (2) an equal portion of the total credit established
22 under Subsection (a) on each report originally due on or after
23 September 1, 2006, and before December 31, 2010.

24 (c) An enterprise project that is eligible for and
25 establishes the credit authorized by Subsection (a) shall provide
26 to the comptroller an estimate of the total wages and salaries on
27 which the enterprise project establishes the credit. The

1 enterprise project shall provide the estimate on the first report
2 originally due on or after September 1, 2006.

3 Sec. 171.784. LIMITATIONS. (a) The total credit claimed
4 under this subchapter for a report, including the amount of any
5 carryforward credit under Section 171.785, may not exceed 50
6 percent of the amount of franchise tax due for the report before any
7 other applicable tax credits.

8 (b) The total credit claimed under this subchapter and
9 Subchapter Q-1 for a report, including the amount of any
10 carryforward credits, may not exceed the amount of franchise tax
11 due for the report after any other applicable credits.

12 Sec. 171.785. CARRYFORWARD. (a) If an enterprise project
13 is eligible for a credit that exceeds the limitations under Section
14 171.784, the enterprise project may carry the unused credit forward
15 for not more than five consecutive reports.

16 (b) A carryforward is considered the remaining portion of a
17 credit that cannot be claimed in the current year because of a tax
18 limitation under Section 171.784. A carryforward is added to the
19 next year's credit in determining the tax limitation for that year.
20 A credit carryforward from a previous report is considered to be
21 used before the current year credit.

22 Sec. 171.786. CERTIFICATION OF ELIGIBILITY. (a) For the
23 initial and each succeeding report in which a credit is claimed
24 under this subchapter, the enterprise project shall file with its
25 report, on a form provided by the comptroller, information that
26 sufficiently demonstrates that the enterprise project is eligible
27 for the credit and is in compliance with Section 171.782.

1 (b) The burden of establishing entitlement to and the value
2 of the credit is on the enterprise project.

3 Sec. 171.787. ASSIGNMENT PROHIBITED. An enterprise project
4 may not convey, assign, or transfer the credit allowed under this
5 subchapter to another entity unless all of the assets of the
6 enterprise project are conveyed, assigned, or transferred in the
7 same transaction.

8 Sec. 171.788. BIENNIAL REPORT BY COMPTROLLER. (a) Before
9 the beginning of each regular session of the legislature, the
10 comptroller shall submit to the governor, the lieutenant governor,
11 and the speaker of the house of representatives a report that
12 states:

13 (1) the total number of jobs created by enterprise
14 projects that claim a credit under this subchapter and the average
15 and median annual wage of those jobs;

16 (2) the total amount of credits applied against the
17 tax under this chapter and the amount of unused credits including:

18 (A) the total amount of franchise tax due by
19 enterprise projects claiming a credit under this subchapter before
20 and after the application of the credit;

21 (B) the average percentage reduction in
22 franchise tax due by enterprise projects claiming a credit under
23 this subchapter; and

24 (C) the percentage of tax credits that were
25 awarded to enterprise projects with fewer than 100 employees;

26 (3) a breakdown of the two-digit standard industrial
27 classification of enterprise projects claiming a credit under this

1 subchapter;

2 (4) the geographical distribution of the credits
3 claimed under this subchapter; and

4 (5) the impact of the credit provided under this
5 subchapter on employment, personal income, and capital investment
6 in this state and on state tax revenues.

7 (b) The final report issued before the expiration of this
8 subchapter shall include historical information on the credit
9 authorized under this subchapter.

10 (c) The comptroller may not include in the report
11 information that is confidential by law.

12 (d) For purposes of this section, the comptroller may
13 require an enterprise project that claims a credit under this
14 subchapter to submit information, on a form provided by the
15 comptroller, on the location of the enterprise project's job
16 creation in this state and any other information necessary to
17 complete the report required under this section.

18 (e) The comptroller shall provide notice to the members of
19 the legislature that the report required under this section is
20 available on request.

21 Sec. 171.789. COMPTROLLER POWERS AND DUTIES. The
22 comptroller shall adopt rules and forms necessary to implement this
23 subchapter.

24 Sec. 171.790. EXPIRATION. (a) This subchapter expires
25 December 31, 2009.

26 (b) The expiration of this subchapter does not affect the
27 carryforward of a credit under Section 171.785 or those credits for

1 which an enterprise project is eligible before the date this
2 subchapter expires. An enterprise project may not, under any
3 circumstances, obtain a greater benefit than the benefit to which
4 the enterprise project would have been entitled if this subchapter
5 did not expire.

6 SUBCHAPTER Q-1. TAX CREDITS FOR ENTERPRISE PROJECTS

7 FOR CERTAIN CAPITAL INVESTMENTS

8 Sec. 171.815. DEFINITIONS. In this subchapter:

9 (1) "Enterprise project" has the meaning assigned by
10 Section 171.781.

11 (2) "Qualified business" has the meaning assigned by
12 Section 171.781.

13 (3) "Qualified capital investment" means tangible
14 personal property first placed in service by an enterprise project
15 that is described in Section 1245(a), Internal Revenue Code, such
16 as engines, machinery, tools, and implements used in a trade or
17 business or held for investment and subject to an allowance for
18 depreciation, cost recovery under the accelerated cost recovery
19 system, or amortization. The term does not include real property or
20 buildings and their structural components. Property that is leased
21 under a capitalized lease is considered a qualified capital
22 investment, but property that is leased under an operating lease is
23 not considered a qualified capital investment. Property expensed
24 under Section 179, Internal Revenue Code, is not considered a
25 qualified capital investment.

26 Sec. 171.8151. APPLICABILITY OF SUBCHAPTER. This
27 subchapter applies only to an enterprise project that:

1 (1) is owned by a corporation that was obligated to pay
2 the franchise tax under this chapter as it existed on December 31,
3 2004;

4 (2) is not located in an enterprise zone;

5 (3) was designated as an enterprise project on or
6 after September 1, 2004; and

7 (4) was approved as a triple jumbo enterprise project
8 as described by Section 2303.407, Government Code, on or after
9 September 1, 2004, and on or before November 30, 2004.

10 Sec. 171.816. TANGIBLE PERSONAL PROPERTY FIRST PLACED IN
11 SERVICE BY AN ENTERPRISE PROJECT. For purposes of determining
12 whether an investment is a qualified capital investment under
13 Section 171.815, "tangible personal property first placed in
14 service by an enterprise project" includes tangible personal
15 property:

16 (1) purchased by an enterprise project for placement
17 in an incomplete improvement that is under active construction or
18 other physical preparation;

19 (2) identified by a purchase order, invoice, billing,
20 sales slip, or contract; and

21 (3) physically present at the enterprise project's
22 qualified business site, as defined by Section 2303.003(6-a),
23 Government Code, and in use by the enterprise project on the
24 original due date of the report on which the credit is taken.

25 Sec. 171.817. ELIGIBILITY. (a) An enterprise project that
26 is a qualified business as defined in Section 171.781 is eligible
27 for a credit against the tax imposed under this chapter in the

1 amount and under the conditions and limitations provided by this
2 subchapter.

3 (b) An enterprise project that is eligible for a credit
4 under this subchapter may claim a credit or take a carryforward
5 credit without regard to whether the enterprise zone in which it
6 made the qualified capital investment subsequently loses its
7 designation as an enterprise zone, if applicable.

8 Sec. 171.818. CALCULATION OF CREDIT. An enterprise project
9 that is eligible for a credit under this subchapter may, beginning
10 on the date the project is designated, establish a credit equal to
11 7.5 percent of the qualified capital investment.

12 Sec. 171.819. LENGTH OF CREDIT. An enterprise project that
13 is eligible for a credit under this subchapter may:

14 (1) claim a credit established under this subchapter
15 in five equal installments of one-fifth the credit amount over the
16 five consecutive reports beginning with the report based on the
17 period during which the qualified capital investment was made; or

18 (2) claim the entire credit earned on a report
19 originally due on or after September 1, 2006, and before December
20 31, 2009, subject to Section 171.820.

21 Sec. 171.820. LIMITATIONS. (a) The total credit claimed
22 under this subchapter for a report, including the amount of any
23 carryforward credit under Section 171.821, may not exceed 50
24 percent of the amount of franchise tax due for the report before any
25 other applicable tax credits.

26 (b) The total credit claimed under this subchapter and
27 Subchapter P-1 for a report, including the amount of any

1 carryforward credits, may not exceed the amount of franchise tax
2 due for the report after any other applicable tax credits.

3 Sec. 171.821. CARRYFORWARD. (a) If an enterprise project
4 is eligible for a credit from an installment that exceeds a
5 limitation under Section 171.820, the enterprise project may carry
6 the unused credit forward for not more than five consecutive
7 reports.

8 (b) A carryforward is considered the remaining portion of an
9 installment that cannot be claimed in the current year because of a
10 tax limitation under Section 171.820. A carryforward is added to
11 the next year's installment of the credit in determining the tax
12 limitation for that year. A credit carryforward from a previous
13 report is considered to be used before the current year
14 installment.

15 Sec. 171.822. CERTIFICATION OF ELIGIBILITY. (a) For the
16 initial and each succeeding report in which a credit is claimed
17 under this subchapter, the enterprise project shall file with its
18 report, on a form provided by the comptroller, information that
19 sufficiently demonstrates that the enterprise project is eligible
20 for the credit.

21 (b) The burden of establishing entitlement to and the value
22 of the credit is on the enterprise project.

23 (c) A credit expires under this subchapter and the
24 enterprise project may not take any remaining installment of the
25 credit if in one of the five years in which the installment of a
26 credit accrues, the enterprise project:

27 (1) disposes of the qualified capital investment;

1 (2) takes the qualified capital investment out of
2 service; or

3 (3) moves the qualified capital investment out of this
4 state.

5 (d) Notwithstanding Subsection (c), the enterprise project
6 may take the portion of an installment that accrued in a previous
7 year and was carried forward to the extent permitted under Section
8 171.821.

9 Sec. 171.823. ASSIGNMENT PROHIBITED. An enterprise project
10 may not convey, assign, or transfer the credit allowed under this
11 subchapter to another entity unless all of the assets of the
12 enterprise project are conveyed, assigned, or transferred in the
13 same transaction.

14 Sec. 171.824. BIENNIAL REPORT BY COMPTROLLER. (a) Before
15 the beginning of each regular session of the legislature, the
16 comptroller shall submit to the governor, the lieutenant governor,
17 and the speaker of the house of representatives a report that
18 states:

19 (1) the total amount of qualified capital investments
20 made by enterprise projects that claim a credit under this
21 subchapter and the average and median wages paid by those
22 enterprise projects;

23 (2) the total amount of credits applied against the
24 tax under this chapter and the amount of unused credits, including:

25 (A) the total amount of franchise tax due by
26 enterprise projects claiming a credit under this subchapter before
27 and after the application of the credit;

1 (B) the average percentage reduction in
2 franchise tax due by enterprise projects claiming a credit under
3 this subchapter;

4 (C) the percentage of tax credits that were
5 awarded to enterprise projects with fewer than 100 employees; and

6 (D) the two-digit standard industrial
7 classification of enterprise projects claiming a credit under this
8 subchapter;

9 (3) the geographical distribution of the qualified
10 capital investments on which tax credit claims are made under this
11 subchapter; and

12 (4) the impact of the credit provided under this
13 subchapter on employment, capital investment, personal income, and
14 state tax revenues.

15 (b) The final report issued before the expiration of this
16 subchapter shall include historical information on the credit
17 authorized under this subchapter.

18 (c) The comptroller may not include in the report
19 information that is confidential by law.

20 (d) For purposes of this section, the comptroller may
21 require an enterprise project that claims a credit under this
22 subchapter to submit information, on a form provided by the
23 comptroller, on the location of the enterprise project's capital
24 investment in this state and any other information necessary to
25 complete the report required under this section.

26 (e) The comptroller shall provide notice to the members of
27 the legislature that the report required under this section is

1 available on request.

2 Sec. 171.825. COMPTROLLER POWERS AND DUTIES. The
3 comptroller shall adopt rules and forms necessary to implement this
4 subchapter.

5 Sec. 171.826. EXPIRATION. (a) This subchapter expires
6 December 31, 2009.

7 (b) The expiration of this subchapter does not affect the
8 carryforward of a credit under Section 171.821 or those credits for
9 which an enterprise project is eligible before the date this
10 subchapter expires. An enterprise project may not, under any
11 circumstances, obtain a greater benefit than the benefit to which
12 the enterprise project would have been entitled if this subchapter
13 did not expire.

14 (d) The changes in law made by this section apply only to a
15 report originally due on or after the effective date of this Act.

16 SECTION 4. This Act takes effect September 1, 2006.