

BILL ANALYSIS

H.B. 1659
By: Chavez
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

This bill amends the State Enterprise Zone Program to allow for businesses within economically distressed counties to be nominated for a sales tax refund if certain provisions are met. Currently the State Enterprise Zone Expansion program is limited to certain predefined limited geographical areas that are certified by census demographic information. This legislation would allow cities within economically distressed counties to nominate Enterprise Zone Projects within their entire geographical area. Economically distressed counties will be determined according to census poverty, educational attainment, and unemployment statistics as currently designated by the Comptroller's Office. The expansion of this program would give economically disadvantaged communities greater flexibility in the utilization of this economic development tool.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Section 2303.003, Government Code, states the comptroller's criteria for designating a county as economically distressed, including poverty rate, adult population with high school education and unemployment rate.

SECTION 2. Amends Section 2303.051, Government Code, to require the Texas Economic Development Bank to annually compile data identifying the economically distressed counties in this state.

SECTION 3. Amends 2303.101, Government Code, to automatically designate all state comptroller certified economically distressed counties as state enterprise zone areas.

SECTION 4. Section 2303.109(a), Government Code, provides that an area's state enterprise zone designation will remain in effect until the date on which the Texas Economic Development Bank makes updated decennial census data available to the public that shows that the county no longer qualifies as economically distressed.

SECTION 5. Section 2303.405(f), Government Code, authorizes nominating bodies to submit an application for an enterprise zone project or activity up to the 30th day after the date on which the Bank makes updated eligibility determinations available to the public.

SECTION 6. Amends Section 2303.406(b), Government Code, to include economically distressed counties in the language of the existing statutes that define criteria for the Texas Economic Development Bank to designate an area as an Enterprise Zone and the level of cooperation and support the project applicant commits to the project.

SECTION 7. Provides the effective date of the bill.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.

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