

AN ACT

relating to the designation of certain areas of this state as enterprise zones under the enterprise zone program.

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

SECTION 1. Section 2303.003, Government Code, is amended by adding Subdivision (1-c) to read as follows:

(1-c) "Distressed county" means a county:

(A) that has a poverty rate above 15.4 percent;

(B) in which at least 25.4 percent of the adult population does not hold a high school diploma or high school equivalency certificate; and

(C) that has an unemployment rate that has remained above 4.9 percent during the preceding five years.

SECTION 2. Section 2303.051, Government Code, is amended by adding Subsection (a-2) to read as follows:

(a-2) The bank shall annually compile data identifying the distressed counties in this state that automatically qualify for designation as enterprise zones under this chapter.

SECTION 3. Section 2303.101, Government Code, is amended to read as follows:

Sec. 2303.101. QUALIFICATION FOR ENTERPRISE ZONE DESIGNATION. An area automatically qualifies for designation as an enterprise zone if the area is:

(1) a block group, as defined by the most recent

1 federal decennial census available at the time of designation, in
2 which at least 20 percent of the residents of the block group have
3 an income at or below 100 percent of the federal poverty level; ~~or~~

4 (2) an area designated by the federal government as a
5 renewal community, a federal empowerment zone, or a federal
6 enterprise community, including any developable area approved by
7 the federal agency responsible for making that designation; or

8 (3) an area located in a distressed county.

9 SECTION 4. Section 2303.109(a), Government Code, is amended
10 to read as follows:

11 (a) An enterprise zone designation remains in effect
12 indefinitely so long as the area continues to qualify for
13 designation as an enterprise zone under this chapter. If an area
14 described by Section 2303.101(1) no longer qualifies for enterprise
15 zone designation following the release of a subsequent federal
16 decennial census, the area's designation remains in effect until
17 the date on which the bank makes the updated information for that
18 subsequent census available to the public as required by Section
19 2303.051.

20 SECTION 5. Section 2303.405(f), Government Code, is amended
21 to read as follows:

22 (f) A nominating body may submit an application for a
23 project or activity that during the application process loses its
24 eligibility for designation as an enterprise project solely because
25 the project or activity is no longer located in an enterprise zone
26 as described by Section 2303.101(1) if the bank receives the
27 application not later than the 30th day after the date on which the

1 bank makes the updated block group data used to make the eligibility
2 determination available as required by Section 2303.051.

3 SECTION 6. Section 2303.406(b), Government Code, is amended
4 to read as follows:

5 (b) This subsection does not apply to a qualified business
6 located in a federally designated zone, as described by Section
7 2303.101(2), which will receive priority designation in allocating
8 the number of enterprise projects allowed statewide per biennium as
9 provided by Section 2303.403. The bank shall designate qualified
10 businesses as enterprise projects on a competitive basis. The bank
11 shall make its designation decisions using a weighted scale in
12 which:

13 (1) 40 percent of the evaluation depends on the
14 economic distress of the block group or distressed county in which a
15 proposed enterprise project is located;

16 (2) 25 percent of the evaluation depends on the local
17 effort to achieve development and revitalization of the block group
18 or distressed county in which a proposed enterprise project is
19 located; and

20 (3) 35 percent of the evaluation depends on the
21 evaluation criteria as determined by the bank, which must include:

22 (A) with respect to a proposed enterprise project
23 located in a block group, the level of cooperation and support the
24 project applicant commits to the revitalization goals of all of the
25 enterprise zone block groups within the jurisdiction of the
26 nominating governmental entity; ~~and~~

27 (B) with respect to a proposed enterprise project

1 located in a distressed county, the level of cooperation and
2 support the project applicant commits to the revitalization of the
3 distressed county; and

4 (C) the type and wage level of the jobs to be
5 created or retained by the business.

6 SECTION 7. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 1659 was passed by the House on April 29, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 1659 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor