

1-1 By: Chavez (Senate Sponsor - Lucio) H.B. No. 1659
1-2 (In the Senate - Received from the House May 2, 2005;
1-3 May 3, 2005, read first time and referred to Subcommittee on
1-4 Emerging Technologies and Economic Development; May 20, 2005,
1-5 reported favorably to Committee on Business and Commerce;
1-6 May 21, 2005, reported favorably from Committee on Business and
1-7 Commerce by the following vote: Yeas 6, Nays 0; May 21, 2005, sent
1-8 to printer.)

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the designation of certain areas of this state as
1-12 enterprise zones under the enterprise zone program.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 2303.003, Government Code, is amended by
1-15 adding Subdivision (1-c) to read as follows:

1-16 (1-c) "Distressed county" means a county:

1-17 (A) that has a poverty rate above 15.4 percent;

1-18 (B) in which at least 25.4 percent of the adult
1-19 population does not hold a high school diploma or high school
1-20 equivalency certificate; and

1-21 (C) that has an unemployment rate that has
1-22 remained above 4.9 percent during the preceding five years.

1-23 SECTION 2. Section 2303.051, Government Code, is amended by
1-24 adding Subsection (a-2) to read as follows:

1-25 (a-2) The bank shall annually compile data identifying the
1-26 distressed counties in this state that automatically qualify for
1-27 designation as enterprise zones under this chapter.

1-28 SECTION 3. Section 2303.101, Government Code, is amended to
1-29 read as follows:

1-30 Sec. 2303.101. QUALIFICATION FOR ENTERPRISE ZONE
1-31 DESIGNATION. An area automatically qualifies for designation as an
1-32 enterprise zone if the area is:

1-33 (1) a block group, as defined by the most recent
1-34 federal decennial census available at the time of designation, in
1-35 which at least 20 percent of the residents of the block group have
1-36 an income at or below 100 percent of the federal poverty level; ~~or~~

1-37 (2) an area designated by the federal government as a
1-38 renewal community, a federal empowerment zone, or a federal
1-39 enterprise community, including any developable area approved by
1-40 the federal agency responsible for making that designation; or

1-41 (3) an area located in a distressed county.

1-42 SECTION 4. Section 2303.109(a), Government Code, is amended
1-43 to read as follows:

1-44 (a) An enterprise zone designation remains in effect
1-45 indefinitely so long as the area continues to qualify for
1-46 designation as an enterprise zone under this chapter. If an area
1-47 described by Section 2303.101(1) no longer qualifies for enterprise
1-48 zone designation following the release of a subsequent federal
1-49 decennial census, the area's designation remains in effect until
1-50 the date on which the bank makes the updated information for that
1-51 subsequent census available to the public as required by Section
1-52 2303.051.

1-53 SECTION 5. Section 2303.405(f), Government Code, is amended
1-54 to read as follows:

1-55 (f) A nominating body may submit an application for a
1-56 project or activity that during the application process loses its
1-57 eligibility for designation as an enterprise project solely because
1-58 the project or activity is no longer located in an enterprise zone
1-59 as described by Section 2303.101(1) if the bank receives the
1-60 application not later than the 30th day after the date on which the
1-61 bank makes the updated block group data used to make the eligibility
1-62 determination available as required by Section 2303.051.

1-63 SECTION 6. Section 2303.406(b), Government Code, is amended
1-64 to read as follows:

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

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

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

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

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

(B) with respect to a proposed enterprise project located in a distressed county, the level of cooperation and support the project applicant commits to the revitalization of the distressed county; and

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

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

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