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S.B. No. 277

A BILL TO BE ENTITLED

AN ACT

relating to use of money in the Texas Enterprise Fund.

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

SECTION 1. Section 481.078, Government Code, is amended by adding Subsections (g)-(i) to read as follows:

(g) To increase the effectiveness of the fund, the governor may enter into an interagency agreement with the Texas Workforce Commission involving use of money from the fund in conjunction with money from the skills development fund created under Chapter 303, Labor Code, to better recruit new businesses to this state, expand existing businesses in this state, and maximize the state's efforts in creating new jobs.

(h) In making a grant of money from the fund, the governor may develop a mechanism that gives greater consideration to:

(1) potential recipients who commit to locating a new business or expanding an existing business, or who have located a new business or expanded an existing business, in an area that:

(A) has an average median household income at least 25 percent below the state average, and an average monthly unemployment rate at least 25 percent above the state average, for the most recent three consecutive years for which statistics are available;

(B) is adjacent to this state's border with the United Mexican States; or

1 (C) is a rural area, as defined by Section
2 2306.6702; and

3 (2) potential recipients who are investing a greater
4 percentage of the recipients' own money in the financed enterprise
5 or who commit to specific payroll requirements, including minimum
6 median wages or salaries for employees.

7 (i) The governor may use money from the fund to support
8 development of industry clusters, including industry clusters that
9 capitalize on regional resources near the border of this state and
10 the United Mexican States.

11 SECTION 2. Subchapter E, Chapter 481, Government Code, is
12 amended by adding Section 481.079 to read as follows:

13 Sec. 481.079. REPORT ON USE OF MONEY IN TEXAS ENTERPRISE
14 FUND. (a) Before December 1 of each even-numbered year, the
15 governor shall submit to the lieutenant governor, the speaker of
16 the house of representatives, and each other member of the
17 legislature a report outlining a long-range plan for use of money in
18 the Texas Enterprise Fund. The report must include:

19 (1) proposed initiatives for the legislature's
20 consideration to stimulate greater economic development and
21 promote strategic industry growth in this state;

22 (2) data describing the use of money from the fund
23 since the fund's creation; and

24 (3) an analysis of the effect of the fund on job
25 creation and retention, including the number of direct and indirect
26 jobs expected from and created by recipients and the median wages or
27 salary of the recipients' employees.

1 (b) The governor may require a recipient to provide any
2 information necessary for completion of the report, except as
3 otherwise provided by law.

4 SECTION 3. This Act takes effect September 1, 2005.