

## **BILL ANALYSIS**

Senate Research Center  
80R2674 DWS-D

S.B. 422  
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S/C on Emerging Technologies & Economic Dev.  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

The \$323,920,000 Texas Enterprise Fund (fund) was established in 2003 to offer direct cash payments to businesses in order to promote economic growth and create jobs. The governor administers the fund, which is viewed as a deal-closer fund to persuade businesses to develop or relocate within Texas. As of November 2006, the fund had allocated \$316,420,000 in grants to 37 entities. These entities have promised to create a total of 44,053 jobs in this state at a cost to the fund of almost \$7,353 per job. As of March 31, 2006, 7,204 jobs have been created.

As proposed, S.B. 422 requires certain additional information to be included in the report on grants of fund money that the governor, prior to each regular session of the legislature, is required to submit to the legislature. S.B. 422 requires the report to include the number of direct jobs promised and created by each grant-recipient, specific details regarding the created jobs, and the geographical distribution of grants by county. The bill also requires that the report indicate the number of recipient-created jobs with full health benefits, the median wage of each recipient-created job, and the percentage of money granted to small businesses.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Sections 481.078(e-1) and (i), Government Code, as follows:

(e-1) Requires an entity to submit to the governor a written commitment to pay at least 110 percent of the county average weekly wage for all covered employment in the county, as computed by the Texas Workforce Commission (TWC), and to provide a health benefit plan to the recipient's employees in order to be eligible to receive a grant from the Texas Enterprise Fund. Makes conforming changes.

(i) Requires an entity entering into a grant agreement under this section to submit to the governor, lieutenant governor, and speaker of the house of representatives quarterly progress reports containing the information compiled during the previous calendar quarter regarding the attainment of each of the performance targets specified in the agreement. Makes conforming changes.

SECTION 2. Amends Section 481.079, Government Code, by amending Subsection (a) and adding Subsection (d), as follows:

(a) Requires certain additional information to be included in the report on grants made under Section 481.078 (Texas Enterprise Fund) that is required to be submitted by the governor, before the beginning of each regular session of the legislature, to the lieutenant governor, the speaker of the house of representatives, and each other member of the legislature. Deletes existing text that requires the number of direct jobs each recipient created in this state and the number of positions created that provide health benefits for employees to be included in this report.

(d) Requires TWC to verify the employment and payroll information before the report is submitted. Authorizes TWC to require a recipient of a grant under Section 481.078 to submit information required to verify the employment and payroll information.

SECTION 3. Effective date: September 1, 2007.