

1 AN ACT

2 relating to restrictions on the use of certain public subsidies.

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

4 SECTION 1. Subtitle F, Title 10, Government Code, is
5 amended by adding Chapter 2264 to read as follows:

6 CHAPTER 2264. RESTRICTIONS ON USE OF CERTAIN PUBLIC
7 SUBSIDIES

8 SUBCHAPTER A. GENERAL PROVISIONS

9 Sec. 2264.001. DEFINITIONS. In this chapter:

10 (1) "Economic development corporation" means a
11 development corporation organized under the Development
12 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
13 Statutes).

14 (2) "Public agency" means the state or an agency,
15 instrumentality, or political subdivision of this state, including
16 a county, a municipality, a public school district, or a
17 special-purpose district or authority.

18 (3) "Public subsidy" means a public program or public
19 benefit or assistance of any type that is designed to stimulate the
20 economic development of a corporation, industry, or sector of the
21 state's economy or to create or retain jobs in this state. The term
22 includes grants, loans, loan guarantees, benefits relating to an
23 enterprise or empowerment zone, fee waivers, land price subsidies,
24 infrastructure development and improvements designed to

1 principally benefit a single business or defined group of
2 businesses, matching funds, tax refunds, tax rebates, or tax
3 abatements.

4 (4) "Undocumented worker" means an individual who, at
5 the time of employment, is not:

6 (A) lawfully admitted for permanent residence to
7 the United States; or

8 (B) authorized under law to be employed in that
9 manner in the United States.

10 [Sections 2264.002-2264.050 reserved for expansion]

11 SUBCHAPTER B. RESTRICTIONS ON USE OF CERTAIN

12 PUBLIC SUBSIDIES TO EMPLOY UNDOCUMENTED WORKERS

13 Sec. 2264.051. STATEMENT REQUIRED IN APPLICATION FOR PUBLIC
14 SUBSIDIES. A public agency, state or local taxing jurisdiction, or
15 economic development corporation shall require a business that
16 submits an application to receive a public subsidy to include in the
17 application a statement certifying that the business, or a branch,
18 division, or department of the business, does not and will not
19 knowingly employ an undocumented worker.

20 Sec. 2264.052. CONDITION ON RECEIPT OF PUBLIC SUBSIDIES.
21 The statement required by Section 2264.051 must state that if,
22 after receiving a public subsidy, the business, or a branch,
23 division, or department of the business, is convicted of a
24 violation under 8 U.S.C. Section 1324a(f), the business shall repay
25 the amount of the public subsidy with interest, at the rate and
26 according to the other terms provided by an agreement under Section
27 2264.053, not later than the 120th day after the date the public

1 agency, state or local taxing jurisdiction, or economic development
2 corporation notifies the business of the violation.

3 Sec. 2264.053. AGREEMENT REGARDING REPAYMENT OF INTEREST.

4 A public agency, state or local taxing jurisdiction, or economic
5 development corporation, before awarding a public subsidy to a
6 business, shall enter into a written agreement with the business
7 specifying the rate and terms of the payment of interest if the
8 business is required to repay the public subsidy.

9 [Sections 2264.054-2264.100 reserved for expansion]

10 SUBCHAPTER C. ENFORCEMENT

11 Sec. 2264.101. RECOVERY. (a) A public agency, local taxing
12 jurisdiction, or economic development corporation, or the attorney
13 general on behalf of the state or a state agency, may bring a civil
14 action to recover any amounts owed to the public agency, state or
15 local taxing jurisdiction, or economic development corporation
16 under this chapter.

17 (b) The public agency, local taxing jurisdiction, economic
18 development corporation, or attorney general, as applicable, shall
19 recover court costs and reasonable attorney's fees incurred in an
20 action brought under Subsection (a).

21 (c) A business is not liable for a violation of this chapter
22 by a subsidiary, affiliate, or franchisee of the business, or by a
23 person with whom the business contracts.

24 SECTION 2. The change in law made by this Act applies only
25 to a public subsidy provided by an economic development
26 corporation, a taxing jurisdiction, or a public agency in response
27 to an application for the subsidy that is received on or after the

1 effective date of this Act. A public subsidy provided in response
2 to an application received before the effective date of this Act is
3 governed by the law as it existed on the date the application was
4 received, and the prior law is continued in effect for that purpose.

5 SECTION 3. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1196 was passed by the House on April 25, 2007, by the following vote: Yeas 135, Nays 4, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1196 on May 25, 2007, by the following vote: Yeas 137, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1196 was passed by the Senate, with amendments, on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor