

1-1 By: Kolkhorst, et al. (Senate Sponsor - Janek) H.B. No. 1196
1-2 (In the Senate - Received from the House April 26, 2007;
1-3 May 1, 2007, read first time and referred to Subcommittee on
1-4 Emerging Technologies and Economic Development; May 18, 2007,
1-5 reported favorably, as amended, from Committee on Business and
1-6 Commerce by the following vote: Yeas 6, Nays 0; May 18, 2007, sent
1-7 to printer.)

1-8 COMMITTEE AMENDMENT NO. 1 By: Janek

1-9 Amend H.B. No. 1196 (house engrossment) in proposed Section
1-10 2264.051, Government Code (page 1, lines 54 and 55), between "will
1-11 not" and "employ", by inserting "knowingly".

1-12 A BILL TO BE ENTITLED
1-13 AN ACT

1-14 relating to restrictions on the use of certain public subsidies.

1-15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-16 SECTION 1. Subtitle F, Title 10, Government Code, is
1-17 amended by adding Chapter 2264 to read as follows:

1-18 CHAPTER 2264. RESTRICTIONS ON USE OF CERTAIN PUBLIC
1-19 SUBSIDIES

1-20 SUBCHAPTER A. GENERAL PROVISIONS

1-21 Sec. 2264.001. DEFINITIONS. In this chapter:

1-22 (1) "Economic development corporation" means a
1-23 development corporation organized under the Development
1-24 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
1-25 Statutes).

1-26 (2) "Public agency" means the state or an agency,
1-27 instrumentality, or political subdivision of this state, including
1-28 a county, a municipality, a public school district, or a
1-29 special-purpose district or authority.

1-30 (3) "Public subsidy" means a public program or public
1-31 benefit or assistance of any type that is designed to stimulate the
1-32 economic development of a corporation, industry, or sector of the
1-33 state's economy or to create or retain jobs in this state. The term
1-34 includes grants, loans, loan guarantees, benefits relating to an
1-35 enterprise or empowerment zone, fee waivers, land price subsidies,
1-36 infrastructure development and improvements designed to
1-37 principally benefit a single business or defined group of
1-38 businesses, matching funds, tax refunds, tax rebates, or tax
1-39 abatements.

1-40 (4) "Undocumented worker" means an individual who, at
1-41 the time of employment, is not:

1-42 (A) lawfully admitted for permanent residence to
1-43 the United States; or

1-44 (B) authorized under law to be employed in that
1-45 manner in the United States.

1-46 [Sections 2264.002-2264.050 reserved for expansion]

1-47 SUBCHAPTER B. RESTRICTIONS ON USE OF CERTAIN
1-48 PUBLIC SUBSIDIES TO EMPLOY UNDOCUMENTED WORKERS

1-49 Sec. 2264.051. STATEMENT REQUIRED IN APPLICATION FOR PUBLIC
1-50 SUBSIDIES. A public agency, state or local taxing jurisdiction, or
1-51 economic development corporation shall require a business that
1-52 submits an application to receive a public subsidy to include in the
1-53 application a statement certifying that the business, or a branch,
1-54 division, or department of the business, does not and will not
1-55 employ an undocumented worker.

1-56 Sec. 2264.052. CONDITION ON RECEIPT OF PUBLIC SUBSIDIES.
1-57 The statement required by Section 2264.051 must state that if,
1-58 after receiving a public subsidy, the business, or a branch,
1-59 division, or department of the business, is convicted of a
1-60 violation under 8 U.S.C. Section 1324a(f), the business shall repay
1-61 the amount of the public subsidy with interest, at the rate and
1-62 according to the other terms provided by an agreement under Section

2-1 2264.053, not later than the 120th day after the date the public
2-2 agency, state or local taxing jurisdiction, or economic development
2-3 corporation notifies the business of the violation.

2-4 Sec. 2264.053. AGREEMENT REGARDING REPAYMENT OF INTEREST.
2-5 A public agency, state or local taxing jurisdiction, or economic
2-6 development corporation, before awarding a public subsidy to a
2-7 business, shall enter into a written agreement with the business
2-8 specifying the rate and terms of the payment of interest if the
2-9 business is required to repay the public subsidy.

2-10 [Sections 2264.054-2264.100 reserved for expansion]

2-11 SUBCHAPTER C. ENFORCEMENT

2-12 Sec. 2264.101. RECOVERY. (a) A public agency, local taxing
2-13 jurisdiction, or economic development corporation, or the attorney
2-14 general on behalf of the state or a state agency, may bring a civil
2-15 action to recover any amounts owed to the public agency, state or
2-16 local taxing jurisdiction, or economic development corporation
2-17 under this chapter.

2-18 (b) The public agency, local taxing jurisdiction, economic
2-19 development corporation, or attorney general, as applicable, shall
2-20 recover court costs and reasonable attorney's fees incurred in an
2-21 action brought under Subsection (a).

2-22 (c) A business is not liable for a violation of this chapter
2-23 by a subsidiary, affiliate, or franchisee of the business, or by a
2-24 person with whom the business contracts.

2-25 SECTION 2. The change in law made by this Act applies only
2-26 to a public subsidy provided by an economic development
2-27 corporation, a taxing jurisdiction, or a public agency in response
2-28 to an application for the subsidy that is received on or after the
2-29 effective date of this Act. A public subsidy provided in response
2-30 to an application received before the effective date of this Act is
2-31 governed by the law as it existed on the date the application was
2-32 received, and the prior law is continued in effect for that purpose.

2-33 SECTION 3. This Act takes effect September 1, 2007.

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