

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Kolchorst, Parker, et al.

H.B. No. 1196

A BILL TO BE ENTITLED

AN ACT

relating to restrictions on the use of certain public subsidies.

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

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

CHAPTER 2264. RESTRICTIONS ON USE OF CERTAIN PUBLIC

SUBSIDIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2264.001. DEFINITIONS. In this chapter:

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

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

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

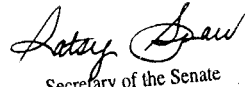
COMMITTEE AMENDMENT NO. 1

BY: 

1 Amend H.B. No. 1196 (house engrossment) in proposed Section  
2 2264.051, Government Code (page 2, lines 18 and 19), between "will  
3 not" and "employ", by inserting "knowingly".

**ADOPTED**

MAY 23 2007

  
Secretary of the Senate



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 17, 2007**

**TO:** Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE:** HB1196 by Kolkhorst (relating to restrictions on the use of certain public subsidies. ),  
**Committee Report 2nd House, As Amended**

**No significant fiscal implication to the State is anticipated.**

The bill would require a business that applies for a public subsidy through a public agency, state or local taxing jurisdiction, or economic development corporation to submit a statement certifying that the business does not knowingly employ an undocumented worker. The bill would require that this statement include terms for repayment of the public subsidy if the business is convicted of a violation under 8 U.S.C. Section 1324a(f). No significant fiscal impact is anticipated as the bill requires the submission of a statement.

The bill would authorize a public agency to bring a civil action to recover these costs if necessary. It is estimated that costs associated with this would be covered by existing resources. Therefore, no significant fiscal impact is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 320 Texas Workforce Commission

**LBB Staff:** JOB, JRO, SMi, KJG





**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 8, 2007**

**TO:** Honorable Kyle Janek, Chair, Senate Committee on S/C on Emerging Technologies & Economic Dev.

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1196** by Kolkhorst (Relating to restrictions on the use of certain public subsidies.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would require a business that applies for a public subsidy through a public agency, state or local taxing jurisdiction, or economic development corporation to submit a statement certifying that the business does not employ an undocumented worker. The bill would require that this statement include terms for repayment of the public subsidy if the business is convicted of a violation under 8 U.S.C. Section 1324a(f). No significant fiscal impact is anticipated as the bill requires the submission of a statement.

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**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 9, 2007**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Economic Development

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1196** by Kolkhorst (Relating to restrictions on the use of certain public subsidies),  
**Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require a business that applies for a public subsidy through a public agency, state or local taxing jurisdiction, or economic development corporation to submit a statement certifying that the business does not employ an unauthorized alien. The bill would require that this statement include terms for repayment of the public subsidy if the business is convicted of a violation under 8 U.S.C. Section 1324a. No significant fiscal impact is anticipated as the bill requires the submission of a statement.

The bill would authorize a public agency to bring a civil action to recover these costs if necessary. It is estimated that costs associated with this would be covered by existing resources. Therefore, no significant fiscal impact is anticipated.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 301 Office of the Governor, 320 Texas Workforce Commission

**LBB Staff:** JOB, JRO, SMi, KJG



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**March 19, 2007**

**TO:** Honorable Joe Deshotel, Chair, House Committee on Economic Development

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB1196** by Kolkhorst (Relating to restrictions on the use of certain public subsidies.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would require a business that applies for a public subsidy through a public agency, state or local taxing jurisdiction, or economic development corporation to submit a statement certifying that the business, or a subsidiary, does not employ an unauthorized alien or contract with a person that employs an unauthorized alien. The bill would require that this statement include terms for repayment of the public subsidy if the business is convicted of a violation under 8 U.S.C. Section 1324a. No significant fiscal impact is anticipated as the bill requires the submission of a statement.

The bill would authorize a public agency to bring a civil action to recover these costs if necessary. It is estimated that costs associated with this would be covered by existing resources. Therefore, no significant fiscal impact is anticipated.

**Local Government Impact**

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