

BILL ANALYSIS

C.S.H.B. 270
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Technology, Economic Development & Workforce
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The enterprise zone program is an economic development tool that allows local communities to partner with the State of Texas to promote job creation and capital investment in economically distressed areas of the state. Any census block group within Texas that has a poverty rate of 20 percent or more is an enterprise zone. The state also recognizes any distressed county as an enterprise zone. A county is considered to be distressed if the county has a poverty rate above 15.4 percent, at least 25.4 percent of the adult population in the county has not received a high school diploma, and the unemployment rate in the county is above 4.9 percent. Local communities must first nominate a company as an enterprise project for the company to participate in the enterprise zone program. Companies that participate in this program are eligible to receive between \$2,500 and \$7,500 per qualified employee hired to work in the enterprise zone.

C.S.H.B. 270 revises the definition of "qualified employee" to extend the enterprise zone program to a greater number of interested businesses and increase investment in economically distressed areas of Texas.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 270 amends the Government Code to define "qualified employee" for purposes of the enterprise zone program as a person who works for a qualified business and resides within the enterprise zone or performs at least 50 percent of the person's service for the business at the qualified business site, rather than a person who works for a qualified business and performs at least 50 percent of the person's service for the business at the qualified business site.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 270 defines "qualified employee" as a person who works for a qualified business and resides within the enterprise zone or performs at least 50 percent of the person's service for the business at the qualified business site, whereas the original defined "qualified employee" as a person who works for a qualified business.