

BILL ANALYSIS

H.B. 271
By: Ortiz, Jr.
Technology, Economic Development & Workforce
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Texas 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. A qualified business may not participate in the program unless a city or county nominates it as an enterprise project. The economic development bank in the Texas Economic Development and Tourism Office within the office of the governor designates enterprise projects based on certain criteria, including the level of capital investment at a qualified business site and the number of jobs that will be filled or held by economically disadvantaged persons or residents of an enterprise zone. Businesses that are designated as enterprise projects are eligible to apply for refunds of the state sales and use tax on qualified expenditures. Under current law, cities and counties with a population of 250,000 or more are eligible for up to six enterprise project designations during a state biennium; cities and counties with a population of less than 250,000 are eligible for up to four designations plus two additional bonus projects if designations are available. The 80th Legislature increased the number of enterprise projects that the bank may designate during any biennium from 85 to 105 and authorized any designations remaining at the end of a biennium to be carried forward to the next biennium.

H.B. 271 increases the number of enterprise projects that the economic development bank may designate for each type of nominating body during any biennium to take advantage of the additional designations that were authorized by the legislature.

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

H.B. 271 amends the Government Code to increase the maximum number of enterprise projects that the Texas Economic Development Bank may designate for each nominating body during any biennium. The bill sets the maximum number of such enterprise projects at six if the nominating body is the governing body of a municipality or county with a population of less than 250,000 and removes language allowing the designation of four such projects plus two bonus projects. The bill increases the maximum number of such enterprise projects from six to nine if the nominating body is the governing body of a municipality or county with a population of 250,000 or more.

EFFECTIVE DATE

September 1, 2009.