

BILL ANALYSIS

C.S.H.B. 1277

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Technology, Economic Development & Workforce
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The Texas Enterprise Fund provides the state with a "deal-closing" fund that has the flexibility and financial resources to help strengthen the state's economy. Currently, the fund may be used for a variety of economic development projects, including infrastructure and community development, job training programs, and business incentives. However, the fund cannot be used to retain jobs in Texas. In times of economic stress and high unemployment, it is important to minimize job loss and retain established businesses.

C.S.H.B. 1277 authorizes the Texas Enterprise Fund to be used for job retention purposes in times of high unemployment in Texas, as determined by the federal Bureau of Labor Statistics.

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. 1277 amends the Government Code to authorize, for a state fiscal biennium on the first day of which the unemployment rate for Texas as determined by the federal Bureau of Labor Statistics is seven percent or more, the use of money appropriated from the Texas Enterprise Fund for incentives to retain businesses in Texas that are considering relocating to a location outside of Texas. The bill specifies that the authority to use the Texas Enterprise Fund for business incentives includes incentives to retain businesses in Texas that are considering relocating to a location outside of Texas, subject to the provision described above. The bill makes these provisions effective September 1, 2011.

C.S.H.B. 1277 includes a temporary provision, set to expire January 1, 2012, authorizing money appropriated from the Texas Enterprise Fund, for the state fiscal biennium beginning September 1, 2009, and ending August 31, 2011, to be used for incentives to retain businesses in Texas that are considering relocating to a location outside of Texas.

EFFECTIVE DATE

Except as otherwise provided, September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1277 differs from the original by authorizing the use of money from the Texas Enterprise Fund specifically to retain businesses in Texas that are considering relocating to a location outside of the state, whereas the original authorizes the use of such money to retain businesses located in Texas without regard to whether they are considering moving out of state.