

BILL ANALYSIS

H.B. 1573

By: Thompson

Technology, Economic Development & Workforce
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The 78th Texas Legislature, Regular Session, 2001, established the \$295 million Texas enterprise fund to allow the state to respond quickly and aggressively to opportunities to bring jobs and employers to Texas. The fund can be used for a variety of economic development projects, including infrastructure development, community development, job training programs and business incentives. Before funds can be awarded, the governor, lieutenant governor and speaker must unanimously agree to support the use of the fund for each specific project. To date, more than 14,000 new jobs have been created with the help of the fund. Of the contracts already completed, the average rate of return on the fund investment is 335 percent. The fund has allocated \$181 million so far that will have an estimated annual gross state impact of over \$2.2 billion.

If a large number of the jobs created bring in new residents who do not have health insurance, local healthcare resources could become strained. Requiring recipients of grants from the fund to provide health insurance can help prevent such a strain on local governments. Additionally requiring employee health insurance as a condition of receiving a grant from the fund ensures that the jobs created are quality jobs.

H.B. 1573 requires a Texas enterprise fund grant recipient to provide health insurance to its employees used in any activity or project funded by the grant.

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. 1573 amends the Government Code to require the grant agreement with an entity to be awarded grant money appropriated from the Texas enterprise fund to include a provision requiring that the grant recipient provide a health benefit plan to its employees used in any activity or project financed by the grant.

EFFECTIVE DATE

September 1, 2009.