

By: Button, Eissler, Pitts, Driver,
Ortiz, Jr., et al.

H.B. No. 1198

Substitute the following for H.B. No. 1198:

By: Button

C.S.H.B. No. 1198

A BILL TO BE ENTITLED

AN ACT

relating to the qualifications for certification of a person as a
qualified business under the enterprise zone program.

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

SECTION 1. Section 2303.402, Government Code, is amended by
amending Subsection (a) and adding Subsection (b) to read as
follows:

(a) In this section, "high technology" means:

(1) semiconductors;

(2) information and computer technology;

(3) micro-electromechanical systems;

(4) manufactured energy systems;

(5) nanotechnology; and

(6) biotechnology.

(b) A person is a qualified business if the bank, for the
purpose of state benefits under this chapter, or the nominating
body of a project or activity of the person under this chapter, for
the purpose of local incentives, certifies that:

(1) the person is engaged in or has provided
substantial commitment to initiate the active conduct of a trade or
business in an enterprise zone, and:

(A) if the trade or business is a high technology
trade or business, at least 15 percent of the person's new employees
in the enterprise zone are:

1 (i) residents of any enterprise zone in
2 this state; or

3 (ii) economically disadvantaged
4 individuals; or

5 (B) if the trade or business is not a high
6 technology trade or business, at least 25 percent of the person's
7 new employees in the enterprise zone are:

8 (i) [~~(A)~~] residents of any enterprise zone
9 in this state; or

10 (ii) [~~(B)~~] economically disadvantaged
11 individuals; or

12 (2) the person is engaged in or has provided
13 substantial commitment to initiate the active conduct of a trade or
14 business in an area of this state that does not qualify as an
15 enterprise zone, and:

16 (A) if the trade or business is a high technology
17 trade or business, at least 25 percent of the person's new employees
18 at the qualified business site are:

19 (i) residents of any enterprise zone in
20 this state; or

21 (ii) individuals who are economically
22 disadvantaged; or

23 (B) if the trade or business is not a high
24 technology trade or business, at least 35 percent of the person's
25 new employees at the qualified business site are:

26 (i) [~~(A)~~] residents of any enterprise zone
27 in this state; or

1 (ii) [~~B~~] individuals who are
2 economically disadvantaged.

3 SECTION 2. The changes in law made by this Act to Section
4 2303.402, Government Code, apply only to an application for a
5 designation under the enterprise zone program under Chapter 2303,
6 Government Code, as amended by this Act, that is filed on or after
7 the effective date of this Act. An application for a designation
8 under the enterprise zone program that is filed before the
9 effective date of this Act is governed by the law in effect on the
10 date the application was filed, and the former law is continued in
11 effect for that purpose.

12 SECTION 3. This Act takes effect September 1, 2009.