

By: Torres, et al.

H.B. No. 2493

A BILL TO BE ENTITLED

AN ACT

relating to authorizing enterprise project half designations and quarter designations under the enterprise zone program.

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

SECTION 1. Section 2303.401, Government Code, is amended by adding Subdivisions (3), (4), and (5) to read as follows:

(3) "Full enterprise project" means an enterprise project that is allocated more than 250 jobs for benefit.

(4) "Half enterprise project" means an enterprise project that is allocated at least 126 jobs but not more than 250 jobs for benefit and is considered to be one-half of a full enterprise project designation for purposes of this subchapter.

(5) "Quarter enterprise project" means an enterprise project that is allocated not more than 125 jobs for benefit and is considered to be one-quarter of a full enterprise project designation for purposes of this subchapter.

SECTION 2. Section 2303.403, Government Code, is amended to read as follows:

Sec. 2303.403. PROHIBITION ON QUALIFIED BUSINESS CERTIFICATION; LIMIT ON ENTERPRISE PROJECT DESIGNATIONS. (a) If the bank determines that the governing body eligible to nominate an enterprise project is not complying with this chapter, the bank shall prohibit the certification of a qualified business until the bank determines that the governing body is complying with this

1 chapter.

2       **(b)** The bank may not designate more than 105 enterprise  
3 projects during any biennium. Any designations remaining at the  
4 end of a biennium may be carried forward to the next biennium.

5       **(c)** For purposes of Subsection (b):

6               **(1)** a full enterprise project uses one of the bank's  
7 designations;

8               **(2)** a half enterprise project uses one-half of one of  
9 the bank's designations; and

10               **(3)** a quarter enterprise project uses one-quarter of  
11 one of the bank's designations.

12       SECTION 3. Sections 2303.406(d) and (f), Government Code,  
13 are amended to read as follows:

14       (d) The maximum number of enterprise projects that the bank  
15 may designate for each nominating body during any biennium is:

16               (1) six full enterprise projects, if the nominating  
17 body is the governing body of a municipality or county with a  
18 population of less than 250,000; or

19               (2) nine full enterprise projects, if the nominating  
20 body is the governing body of a municipality or county with a  
21 population of 250,000 or more.

22       (f) An approved designation as a double jumbo enterprise  
23 project, as defined by Section 2303.407, counts as two full  
24 enterprise project designations against both the nominating body  
25 for purposes of Subsection (d) and the number of enterprise project  
26 designations allowed statewide per biennium under Section  
27 2303.403. An approved designation as a triple jumbo enterprise

1 project, as defined by Section 2303.407, counts as three full  
2 enterprise project designations against both the nominating body  
3 for purposes of Subsection (d) and the number of enterprise project  
4 designations allowed statewide per biennium under Section  
5 2303.403.

6 SECTION 4. Section 2303.4071, Government Code, is amended  
7 by adding Subsection (e) to read as follows:

8 (e) A double jumbo or triple jumbo enterprise project may be  
9 split into four half designations or four quarter designations, and  
10 the maximum tax refunds for the project divided accordingly.

11 SECTION 5. Section 2303.407, Government Code, is amended by  
12 amending Subsection (b) and adding Subsection (e) to read as  
13 follows:

14 (b) A capital investment in a project of:

15 (1) \$40,000 to \$399,999 will result in a refund of up  
16 to \$2,500 per job with a maximum refund of \$25,000 for the creation  
17 or retention of 10 jobs;

18 (2) \$400,000 to \$999,999 will result in a refund of up  
19 to \$2,500 per job with a maximum refund of \$62,500 for the creation  
20 or retention of 25 jobs;

21 (3) \$1,000,000 to \$4,999,999 will result in a refund  
22 of up to \$2,500 per job with a maximum refund of \$312,500 for the  
23 creation or retention of 125 jobs;

24 (4) \$5,000,000 to \$149,999,999 will result in a refund  
25 of up to \$2,500 per job with a maximum refund of:

26 (A) \$625,000 for the creation or retention of 250  
27 jobs; or

1                    (B) \$1,250,000 for the creation or retention of  
2 500 jobs;

3                    (5) if the bank designates the project as a double  
4 jumbo enterprise project, \$150,000,000 to \$249,999,999 will  
5 result in a refund of up to \$5,000 per job with a maximum refund of:

6                    (A) \$1,250,000 for the creation or retention of  
7 250 jobs; or

8                    (B) \$2,500,000 for the creation or retention of  
9 500 jobs [~~if the bank designates the project as a double jumbo~~  
10 ~~enterprise project~~]; or

11                    (6) if the bank designates the project as a triple  
12 jumbo enterprise project, \$250,000,000 or more will result in a  
13 refund of up to \$7,500 per job with a maximum refund of:

14                    (A) \$1,875,000 for the creation or retention of  
15 at least 250 jobs; or

16                    (B) \$3,750,000 for the creation or retention of  
17 at least 500 jobs [~~if the bank designates the project as a triple~~  
18 ~~jumbo enterprise project~~].

19                    (e) The maximum tax refund for a half enterprise project or  
20 a quarter enterprise project shall be reduced proportionally.

21                    SECTION 6. Section 151.429, Tax Code, is amended by  
22 amending Subsection (b) and adding Subsection (k) to read as  
23 follows:

24                    (b) Subject to the limitations provided by Subsection (c) of  
25 this section, an enterprise project qualifies for a refund of taxes  
26 under this section based on the amount of capital investment made at  
27 the qualified business site, the project's designation level, and

the refund per job with a maximum refund to be included in a computation of a tax refund for the project. A capital investment at the qualified business site of:

(1) \$40,000 to \$399,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$25,000 for the creation or retention of 10 jobs;

(2) \$400,000 to \$999,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$62,500 for the creation or retention of 25 jobs;

(3) \$1,000,000 to \$4,999,999 will result in a refund of up to \$2,500 per job with a maximum refund of \$312,500 for the creation or retention of 125 jobs;

(4) \$5,000,000 to \$149,999,999 will result in a refund of up to \$2,500 per job with a maximum refund of:

(A) \$625,000 for the creation or retention of 250 jobs; or

(B) \$1,250,000 for the creation or retention of 500 jobs;

(5) if the Texas Economic Development Bank designates the project as a double jumbo enterprise project, \$150,000,000 to \$249,999,999 will result in a refund of up to \$5,000 per job with a maximum refund of:

(A) \$1,250,000 for the creation or retention of 250 jobs; or

(B) \$2,500,000 for the creation or retention of 500 jobs [~~if the Texas Economic Development Bank designates the project as a double jumbo enterprise project~~]; or

1           (6) if the Texas Economic Development Bank designates  
2 the project as a triple jumbo enterprise project, \$250,000,000 or  
3 more will result in a refund of up to \$7,500 per job with a maximum  
4 refund of:

5                   (A) \$1,875,000 for the creation or retention of  
6 at least 250 jobs; or

7                   (B) \$3,750,000 for the creation or retention of  
8 at least 500 jobs [~~if the Texas Economic Development Bank~~  
9 ~~designates the project as a triple jumbo enterprise project~~].

10           (k) The maximum tax refund for a half enterprise project or  
11 a quarter enterprise project shall be reduced proportionally. In  
12 this subsection, "half enterprise project" and "quarter enterprise  
13 project" have the meanings assigned by Section 2303.401, Government  
14 Code.

15           SECTION 7. This Act takes effect immediately if it receives  
16 a vote of two-thirds of all the members elected to each house, as  
17 provided by Section 39, Article III, Texas Constitution. If this  
18 Act does not receive the vote necessary for immediate effect, this  
19 Act takes effect September 1, 2011.