By: Torres   H.B. No. 2493

Substitute the following for H.B. No. 2493:

By: Vo   C.S.H.B. No. 2493

A BILL TO BE ENTITLED

1   AN ACT

2 relating to authorizing enterprise project half designations and

3 quarter designations under the enterprise zone program.

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

5   SECTION 1. Section 2303.401, Government Code, is amended by

6 adding Subdivisions (3), (4), and (5) to read as follows:

7   (3) "Full enterprise project" means an enterprise

8 project that is allocated more than 250 jobs for benefit.

9   (4) "Half enterprise project" means an enterprise

10 project that is allocated at least 126 jobs but not more than 250

11 jobs for benefit and is considered to be one-half of a full

12 enterprise project designation for purposes of this subchapter.

13   (5) "Quarter enterprise project" means an enterprise

14 project that is allocated not more than 125 jobs for benefit and is

15 considered to be one-quarter of a full enterprise project

16 designation for purposes of this subchapter.

17   SECTION 2. Section 2303.403, Government Code, is amended to

18 read as follows:

19   Sec. 2303.403. PROHIBITION   ON   QUALIFIED   BUSINESS

20 CERTIFICATION; LIMIT ON ENTERPRISE PROJECT DESIGNATIONS. (a) If

21 the bank determines that the governing body eligible to nominate an

22 enterprise project is not complying with this chapter, the bank

23 shall prohibit the certification of a qualified business until the

24 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

2

1 project, as defined by Section 2303.407, counts as three <u>full</u>

2 <u>enterprise</u> 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   <u>(e) A double jumbo or triple jumbo enterprise project may be</u>

9 <u>split into two half designations or four quarter designations, and</u>

10 <u>the maximum tax refunds for the project divided accordingly.</u>

11   SECTION 5. Section 2303.407(b), Government Code, is amended

12 to read as follows:

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

14   (1) $40,000 to $399,999 will result in a refund of up

15 to $2,500 per job with a maximum refund of $25,000 for the creation

16 or retention of 10 jobs;

17   (2) $400,000 to $999,999 will result in a refund of up

18 to $2,500 per job with a maximum refund of $62,500 for the creation

19 or retention of 25 jobs;

20   (3) $1,000,000 to $4,999,999 will result in a refund

21 of up to $2,500 per job with a maximum refund of $312,500 for the

22 creation or retention of 125 jobs;

23   (4) $5,000,000 to $149,999,999 will result in a refund

24 of up to $2,500 per job with a maximum refund of<u>:</u>

25   <u>(A) $625,000 for the creation or retention of 250</u>

26 <u>jobs; or</u>

27   <u>(B) $1,250,000 for the creation or retention of</u>

1 500 jobs;

2   (5) if the bank designates the project as a double

3 jumbo enterprise project, $150,000,000 to $249,999,999 will

4 result in a refund of up to $5,000 per job with a maximum refund of:

5   (A) $1,250,000 for the creation or retention of

6 250 jobs; or

7   (B) $2,500,000 for the creation or retention of

8 500 jobs [if the bank designates the project as a double jumbo

9 enterprise project]; or

10   (6) if the bank designates the project as a triple

11 jumbo enterprise project, $250,000,000 or more will result in a

12 refund of up to $7,500 per job with a maximum refund of:

13   (A) $1,875,000 for the creation or retention of

14 at least 250 jobs; or

15   (B) $3,750,000 for the creation or retention of

16 at least 500 jobs [if the bank designates the project as a triple

17 jumbo enterprise project].

18   SECTION 6. Section 151.429(b), Tax Code, is amended to read

19 as follows:

20   (b) Subject to the limitations provided by Subsection (c) of

21 this section, an enterprise project qualifies for a refund of taxes

22 under this section based on the amount of capital investment made at

23 the qualified business site, the project's designation level, and

24 the refund per job with a maximum refund to be included in a

25 computation of a tax refund for the project. A capital investment

26 at the qualified business site of:

27   (1) $40,000 to $399,999 will result in a refund of up

4

1 to $2,500 per job with a maximum refund of $25,000 for the creation

2 or retention of 10 jobs;

3   (2) $400,000 to $999,999 will result in a refund of up

4 to $2,500 per job with a maximum refund of $62,500 for the creation

5 or retention of 25 jobs;

6   (3) $1,000,000 to $4,999,999 will result in a refund

7 of up to $2,500 per job with a maximum refund of $312,500 for the

8 creation or retention of 125 jobs;

9   (4) $5,000,000 to $149,999,999 will result in a refund

10 of up to $2,500 per job with a maximum refund of:

11   (A) $625,000 for the creation or retention of 250

12 jobs; or

13   (B) $1,250,000 for the creation or retention of

14 500 jobs;

15   (5) if the Texas Economic Development Bank designates

16 the project as a double jumbo enterprise project, $150,000,000 to

17 $249,999,999 will result in a refund of up to $5,000 per job with a

18 maximum refund of:

19   (A) $1,250,000 for the creation or retention of

20 250 jobs; or

21   (B) $2,500,000 for the creation or retention of

22 500 jobs [if the Texas Economic Development Bank designates the

23 project as a double jumbo enterprise project]; or

24   (6) if the Texas Economic Development Bank designates

25 the project as a triple jumbo enterprise project, $250,000,000 or

26 more will result in a refund of up to $7,500 per job with a maximum

27 refund of:

1   (A) $1,875,000 for the creation or retention of

2 at least 250 jobs; or

3   (B) $3,750,000 for the creation or retention of

4 at least 500 jobs [if the Texas Economic Development Bank

5 designates the project as a triple jumbo enterprise project].

6   SECTION 7.   This Act takes effect immediately if it receives

7 a vote of two-thirds of all the members elected to each house, as

8 provided by Section 39, Article III, Texas Constitution.   If this

9 Act does not receive the vote necessary for immediate effect, this

10 Act takes effect September 1, 2011.