

Amend HB 1982 (Senate committee printing) as follows:

(1) In SECTION 3 of the bill, in amended Section 2303.4052(2), Government Code (page 2, line 1), strike "transcript" and substitute "certified copy of the minutes [~~transcript~~]".

(2) In the recital to SECTION 4 of the bill (page 2, line 22), immediately before "adding Subsection (d-1)", add "amending Subsections (b) and (e) and".

(3) In SECTION 4 of the bill, immediately before added Section 2303.406(d-1), Government Code (page 2, between lines 22 and 23), insert the following:

(b) [~~This subsection does not apply to a qualified business located in a federally designated zone, as described by Section 2303.101(2), which will receive priority designation in allocating the number of enterprise projects allowed statewide per biennium as provided by Section 2303.403.~~] The bank shall designate qualified businesses as enterprise projects on a competitive basis. The bank shall make its designation decisions using a weighted scale in which:

(1) 40 percent of the evaluation depends on the economic distress of the block group or distressed county in which a proposed enterprise project is located;

(2) 25 percent of the evaluation depends on the local effort to achieve development and revitalization of the block group or distressed county in which a proposed enterprise project is located; and

(3) 35 percent of the evaluation depends on the evaluation criteria as determined by the bank, which must include:

(A) with respect to a proposed enterprise project located in a block group, the level of cooperation and support the project applicant commits to the revitalization goals of all of the enterprise zone block groups within the jurisdiction of the nominating governmental entity;

(B) with respect to a proposed enterprise project located in a distressed county, the level of cooperation and support the project applicant commits to the revitalization of the distressed county; and

(C) the type and wage level of the jobs to be

created or retained by the business.

(4) In SECTION 4 of the bill, immediately following added Section 2303.406(d-1), Government Code (page 2, between lines 26 and 27), insert the following:

(e) The office may not [~~during any biennium,~~] designate multiple concurrent enterprise projects to a qualified business located at a qualified business site.

(5) In the recital to SECTION 5 of the bill (page 2, line 28), strike "adding Subsection (e)" and substitute "amending Subsections (b), (c), and (d) and adding Subsections (e) and (f)".

(6) In SECTION 5 of the bill, immediately before added Section 2303.407(e), Government Code (page 2, between lines 28 and 29), insert the following:

(b) A capital investment in a project 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 or more [~~to \$149,999,999~~] will result in a refund of up to \$2,500 per job with a maximum refund of \$1,250,000 for the creation or retention of 500 jobs, except as provided by Subdivision (5) or (6);

(5) \$150,000,000 to \$249,999,999 will result in a refund of up to \$5,000 per new permanent job with a maximum refund of \$2,500,000 for the creation [~~or retention~~] of 500 new permanent jobs if the bank designates the project as a double jumbo enterprise project; or

(6) \$250,000,000 or more will result in a refund of up to \$7,500 per new permanent job with a maximum refund of \$3,750,000 for the creation [~~or retention~~] of at least 500 new permanent jobs if the bank designates the project as a triple jumbo enterprise project.

(c) An enterprise project for which a commitment for a capital investment in the range amount and the creation [~~or retention~~] of the number of new permanent jobs specified by Subsection (b)(5) is made is considered a double jumbo enterprise project if the project is so designated by the bank. The bank may not designate a project as a double jumbo enterprise project after the initial designation period approved by the bank under Section 2303.404(b).

(d) An enterprise project for which a commitment for a capital investment in the range amount and the creation [~~or retention~~] of the number of new permanent jobs specified by Subsection (b)(6) is made is considered a triple jumbo enterprise project if the project is so designated by the bank. The bank may not designate a project as a triple jumbo enterprise project after the initial designation period approved by the bank under Section 2303.404(b).

(e) A state-mandated or federally mandated capital investment, including an investment in pollution abatement equipment, does not qualify as a committed capital investment in an enterprise project under this chapter.

(7) In SECTION 5 of the bill, in added Section 2303.407(e), Government Code (page 2, line 29), strike "(e)" and substitute "(f)".

(8) Strike SECTION 7 of the bill (page 2, lines 46-50) and substitute the following appropriately numbered SECTION:

SECTION _____. This Act takes effect September 1, 2013.

(9) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. Section 2303.003, Government Code, is amended by amending Subdivision (7) and adding Subdivision (9) to read as follows:

(7) "Qualified employee" means a person who:

(A) works for a qualified business; [~~and~~]

(B) receives wages from the qualified business from which employment taxes are deducted; and

(C) performs at least 50 percent of the person's service for the business at the qualified business site, or if the

person engages in the transportation of goods or services, the person reports to the qualified business site and resides within 50 miles of the qualified business site.

(9) "Veteran" means a person who:

(A) has served in:

(i) the army, navy, air force, coast guard, or marine corps of the United States;

(ii) the state military forces as defined by Section 431.001; or

(iii) an auxiliary service of one of those branches of the armed forces; and

(B) has been honorably discharged from the branch of the service in which the person served.

SECTION _____. Section 2303.402(a), Government Code, is amended to read as follows:

(a) 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 at least 25 percent of the person's new permanent jobs [~~employees~~] in the enterprise zone are held by:

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

(B) economically disadvantaged individuals; or

(C) veterans; or

(2) the person is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business in an area of this state that does not qualify as an enterprise zone, and at least 35 percent of the person's new permanent jobs [~~employees~~] at the qualified business site are held by:

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

(B) individuals who are economically

disadvantaged; or

(C) veterans.

SECTION _____. Section 2303.504, Government Code, is amended to read as follows:

Sec. 2303.504. STATE TAX REFUNDS [~~AND CREDITS~~]; REPORT.

(a) Subject to Section 2303.516, an enterprise project is entitled to[+]

~~[(1)] a refund of state taxes under Section 151.429, Tax Code[+, and~~

~~[(2) a franchise tax credit under Subchapter Q-1, Chapter 171, Tax Code].~~

(b) At the time of receipt of any tax benefit available as a result of participating in the enterprise zone program, including a state sales and use tax refund [~~or franchise tax credit~~], three percent of the amount of the tax benefit shall be transferred to the Texas economic development bank fund under Subchapter B, Chapter 489, to defray the cost of administering this chapter.

(c) Not later than the 60th day after the last day of each fiscal year, the comptroller shall report to the bank the statewide total of actual jobs created, actual jobs retained, and the tax refunds [~~and credits~~] made under this section during that fiscal year.

SECTION _____. Section 2303.516(b), Government Code, is amended to read as follows:

(b) The comptroller may determine that the business or project is not entitled to a refund [~~or credit~~] of state taxes under Section 2303.504 if the comptroller finds that:

(1) the business or project is not willing to cooperate with the comptroller in providing the comptroller with the information the comptroller needs to determine the state benefits; or

(2) the business or project has substantially failed to follow through on any commitments made by it or on its behalf under this chapter.

SECTION _____. Section 151.429, Tax Code, is amended by amending Subsections (b) and (c) and adding Subsection (k) to read as follows:

(b) Subject to the limitations provided by Subsection (c) of this section, an enterprise project qualifies for a refund of taxes under this section based on the amount of capital investment made at 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 or more [~~to \$149,999,999~~] will result in a refund of up to \$2,500 per job with a maximum refund of \$1,250,000 for the creation or retention of 500 jobs, except as provided by Subdivision (5) or (6);

(5) \$150,000,000 to \$249,999,999 will result in a refund of up to \$5,000 per new permanent job with a maximum refund of \$2,500,000 for the creation [~~or retention~~] of 500 new permanent jobs if the Texas Economic Development Bank designates the project as a double jumbo enterprise project; or

(6) \$250,000,000 or more will result in a refund of up to \$7,500 per new permanent job with a maximum refund of \$3,750,000 for the creation [~~or retention~~] of at least 500 new permanent jobs if the Texas Economic Development Bank designates the project as a triple jumbo enterprise project.

(c) The total amount of tax refund that an enterprise project may apply for in a state fiscal year may not exceed \$250,000, at not more than \$2,500 per job. The total amount of tax refund that a double jumbo enterprise project may apply for in a state fiscal year may not exceed \$500,000, at not more than \$5,000 per new permanent job. The total amount of tax refund that a triple jumbo enterprise project may apply for in a state fiscal year may

not exceed \$750,000, at not more than \$7,500 per new permanent job. If an enterprise project, double jumbo enterprise project, or triple jumbo enterprise project qualifies in a state fiscal year for a refund of taxes in an amount in excess of the applicable limitation provided by this subsection, it may apply for a refund of those taxes in a subsequent year, subject to the applicable limitation for each year. The total amount that may be refunded to:

(1) an enterprise project under this section may not exceed the amount determined by multiplying \$250,000 by the number of state fiscal years during which the enterprise project created or retained one or more jobs for qualified employees;

(2) a double jumbo enterprise project under this section may not exceed the amount determined by multiplying \$500,000 by the number of state fiscal years during which the double jumbo enterprise project created [~~or retained~~] one or more new permanent jobs for qualified employees; or

(3) a triple jumbo enterprise project under this section may not exceed the amount determined by multiplying \$750,000 by the number of state fiscal years during which the triple jumbo enterprise project created [~~or retained~~] one or more new permanent jobs for qualified employees.

(k) A half enterprise project is eligible for a maximum refund not to exceed \$125,000 in each state fiscal year and is subject to the capital investment and job allocation requirements under Subsection (b)(1), (2), or (3).

SECTION _____. Section 151.429(e), Tax Code, is amended by adding Subdivision (6) to read as follows:

(6) "Half enterprise project" means an enterprise project split into two half designations as provided by Section 2303.406(d-1), Government Code.

SECTION _____. Section 2303.109(b), Government Code, is repealed.

SECTION _____. (a) The changes in law made by this Act to Section 2303.402(a), Government Code, apply only to an application for a designation of an enterprise project under the enterprise zone program under Chapter 2303, Government Code, as amended by this Act, filed on or after the effective date of this Act. An

application for designation of an enterprise project under the enterprise zone program filed before the effective date of this Act is governed by the law in effect on the date the application was filed, and the former law is continued in effect for that purpose.

(b) The changes in law made by this Act to Section 2303.407, Government Code, and Section 151.429, Tax Code, apply only to an enterprise project designation made on or after the effective date of this Act. An enterprise project designation made before the effective date of this Act is governed by the law in effect when the designation was made, and the former law is continued in effect for that purpose.

(10) Renumber remaining SECTIONS of the bill accordingly.