

BILL ANALYSIS

Senate Research Center
83R4765 CLG-F

H.B. 1967
By: Deshotel (Williams)
Economic Development
5/9/2013
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, an economic development corporation may spend tax revenue received under the Development Corporation Act for job training offered through a business enterprise only if the business enterprise commits in writing to create new jobs paying wages that are at least equal to the prevailing wage for the applicable occupation in the local labor market area or to increase its payroll to pay wages that are at least equal to that prevailing wage. Interested parties contend that such businesses in areas with high unemployment rates and a high percentage of citizens with limited skills are unlikely to spend funds to train someone lacking basic skills. Accordingly, there are economic development corporations in communities with a large unskilled population that would like to utilize the funds to provide life and basic skills training to prepare individuals for job training programs. H.B. 1967 seeks to authorize certain economic development corporations in an area with high unemployment rates to provide life skills training and job-related skills training to individuals.

H.B. 1967 amends current law relating to use of sales and use tax proceeds by certain economic development corporations for certain job-related skills training.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 501, Local Government Code, by adding Section 501.163, as follows:

Sec. 501.163. USE OF TAX REVENUE FOR JOB-RELATED SKILLS TRAINING BY CERTAIN CORPORATIONS. (a) Provides that this section applies only to a corporation organized under Subtitle C1 (Additional Planning and Development Provisions Applying to More Than One Type of Local Government) (corporation) the creation of which was authorized by a municipality that has a population of 10,000 or more, is located in a county bordering the Gulf of Mexico or the Gulf Intracoastal Waterway, and has, or is included in a metropolitan statistical area of this state that has, an unemployment rate that averaged at least two percent above the state average for the most recent two consecutive years for which statistics are available.

(b) Authorizes a corporation to spend tax revenue received under this subtitle for job training that consists of providing job-related life skills sufficient to enable an unemployed individual to obtain employment, and providing job training skills sufficient to enable an unemployed individual to obtain employment.

(c) Authorizes a corporation to which this section applies to contract with any person to provide the job training authorized under this section.

SECTION 2. Effective date: upon passage or September 1, 2013.