

BILL ANALYSIS

H.B. 1967
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1967 amends the Local Government Code to authorize a development corporation to spend tax revenue received under the Development Corporation Act for certain types of job training and to contract with any person to provide the job training. The bill limits this authority to a development 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 Texas 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

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.