

BILL ANALYSIS

S.B. 1548
By: Eltife
Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The purposes of the Texas Enterprise Zone Act are to establish a process that clearly identifies severely distressed areas of Texas and provide incentives by state and local government to induce private investment in those areas by removing unnecessary governmental regulatory barriers to economic growth and to provide tax incentives and economic development program benefits. Under the act, the governing body of a county with a population of one million or more is authorized to nominate for designation as an enterprise project a project or activity of a qualified business. For reasons related to economic development, the governing body of a municipality is authorized to refund its local sales and use taxes paid by a qualified business.

There is concern among individuals associated with these zones that under current law the definition of "qualified employee" excludes individuals who work at a business-owned facility outside the enterprise zone. Individuals whose job it is to transport or deliver the enterprise project's goods and services and who do not perform at least 50 percent of the person's service for the business at the qualified business site are also excluded. S.B. 1548 seeks to address these concerns.

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

S.B. 1548 amends the Government Code to redefine "qualified employee," for the purposes of the Texas Enterprise Zone Act, as a person who receives wages from a qualified business from which employment taxes are deducted, in addition to working for a qualified business and performing at least 50 percent of the person's service for the business at the qualified business site. The bill excepts from the definition a person whose job responsibility is to transport or deliver the enterprise project's goods or services from the criterion that a person perform at least 50 percent of the person's service for the business at a qualified business site.

EFFECTIVE DATE

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