

By: Blanco, Geren, Gutierrez, Sheffield

H.B. No. 2998

Substitute the following for H.B. No. 2998:

By: Gutierrez

C.S.H.B. No. 2998

A BILL TO BE ENTITLED

AN ACT

relating to defense economic readjustment zones.

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

SECTION 1. Section 2310.001, Government Code, is amended by amending Subdivision (7) and adding Subdivision (8) to read as follows:

(7) "Readjustment zone" means a municipality or county ~~[an area]~~ designated as a defense economic readjustment zone under this chapter.

(8) "Veteran" has the meaning assigned by Section 2308.251.

SECTION 2. Section 2310.002, Government Code, is amended to read as follows:

Sec. 2310.002. JURISDICTION OF MUNICIPALITY. (a) For the purposes of this chapter, territory in the extraterritorial jurisdiction of a municipality is considered to be in the jurisdiction of the municipality.

(b) Notwithstanding Subsection (a), the governing body of a county may apply to the bank for designation as a defense readjustment project a project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

(c) Before a county makes an application as provided by Subsection (b), the applying county must enter into an interlocal

1 agreement with the municipality that has jurisdiction of the  
2 territory in which the project or activity described by Subsection  
3 (b) will be located. The interlocal agreement must specify that  
4 either the applying county or the municipality that has  
5 jurisdiction of the territory in which the project or activity  
6 described by Subsection (b) will be located is the governmental  
7 body having administration authority under Section 2310.201 and  
8 that both the applying county and municipality approve the  
9 application. For purposes of this subsection, a county during any  
10 biennium may use the maximum number of designations the county is  
11 permitted under Section 2310.306(e) within the territory described  
12 by this subsection.

13 SECTION 3. Section 2310.051(b), Government Code, is amended  
14 to read as follows:

15 (b) The bank shall establish criteria and procedures [~~for~~  
16 ~~designating a qualified area as a readjustment zone and~~] for  
17 designating a defense readjustment project.

18 SECTION 4. Section 2310.052(b), Government Code, is amended  
19 to read as follows:

20 (b) The bank must include the following information  
21 regarding the defense readjustment zone program in the report  
22 required by Section 489.107 [~~On or before December 1 of each year,~~  
23 ~~the office shall submit to the governor, the legislature, and the~~  
24 ~~Legislative Budget Board a report that~~]:

25 (1) an evaluation of [~~evaluates~~] the effectiveness of  
26 the readjustment zone program;

27 (2) a description of [~~describes~~] the use of state and

1 local incentives under this chapter and their effect on revenue;  
2 and

3 (3) suggestions for ~~[suggests]~~ legislation for the  
4 program, as appropriate.

5 SECTION 5. Section 2310.101, Government Code, is amended to  
6 read as follows:

7 Sec. 2310.101. [~~CRITERIA~~ ~~FOR~~] READJUSTMENT ZONE  
8 DESIGNATION. (a) A municipality or county automatically qualifies  
9 for designation ~~[To be designated]~~ as a readjustment zone if the  
10 municipality or county is a defense-dependent community as  
11 described by Section 2310.102 ~~[an area must:~~

12 ~~[(1) have a continuous boundary;~~

13 ~~[(2) be at least one square mile but not larger than 20~~  
14 ~~square miles, excluding lakes, waterways, and transportation~~  
15 ~~arteries, of the municipality, county, or combination of~~  
16 ~~municipalities or counties nominating the area as a readjustment~~  
17 ~~zone;~~

18 ~~[(3) be located in an adversely affected~~  
19 ~~defense-dependent community;~~

20 ~~[(4) have at least 50 percent of its area located in an~~  
21 ~~existing or former United States Department of Defense facility;~~  
22 ~~and~~

23 ~~[(5) be nominated as a readjustment zone by an~~  
24 ~~ordinance or order adopted by the nominating body].~~

25 (b) A municipality or county designated as ~~[An area is not~~  
26 ~~prohibited from being included in]~~ a readjustment zone under this  
27 section is not prohibited from having an area of the municipality or

1 county [~~because the area is~~] also included in an enterprise zone  
2 designated under Chapter 2303.

3 SECTION 6. Section 2310.102, Government Code, is amended to  
4 read as follows:

5 Sec. 2310.102. [~~ADVERSELY AFFECTED~~] DEFENSE-DEPENDENT  
6 COMMUNITY. A municipality or county is a [~~an adversely affected~~]  
7 defense-dependent community if, as applicable, the municipality or  
8 county is adjacent to or encompasses any part of a federally owned  
9 or operated military installation, facility, or mission that is  
10 functioning on June 1, 2003 [~~the bank determines that:~~

11 [~~(1) the municipality or county requires assistance~~  
12 ~~because of:~~

13 [~~(A) the proposed or actual establishment,~~  
14 ~~realignment, or closure of a defense facility;~~

15 [~~(B) the cancellation or termination of a United~~  
16 ~~States Department of Defense contract or the failure of the~~  
17 ~~department of defense to proceed with an approved major weapon~~  
18 ~~system program;~~

19 [~~(C) a publicly announced planned major~~  
20 ~~reduction in department of defense spending that would directly and~~  
21 ~~adversely affect the municipality or county; or~~

22 [~~(D) the closure or a significant reduction of~~  
23 ~~the operations of a defense facility as the result of a merger,~~  
24 ~~acquisition, or consolidation of a defense contractor operating the~~  
25 ~~facility; and~~

26 [~~(2) the municipality or county is expected to~~  
27 ~~experience, during the period between the beginning of the federal~~

1 ~~fiscal year during which an event described by Subdivision (1) is~~  
2 ~~finally approved and the date that the event is to be substantially~~  
3 ~~completed, a direct loss of:~~

4           ~~[(A) 2,500 or more defense worker jobs in any~~  
5 ~~area of the municipality or county that is located in an urbanized~~  
6 ~~area of a metropolitan statistical area;~~

7           ~~[(B) 1,000 or more defense worker jobs in any~~  
8 ~~area of the municipality or county that is not located in an~~  
9 ~~urbanized area of a metropolitan statistical area; or~~

10           ~~[(C) one percent of the civilian jobs in the~~  
11 ~~municipality or county].~~

12           SECTION 7. Section 2310.109, Government Code, is amended to  
13 read as follows:

14           Sec. 2310.109. PERIOD OF DESIGNATION. A ~~[An area may be~~  
15 ~~designated as a]~~ readjustment zone ~~[for a maximum of seven years.~~  
16 ~~A]~~ designation remains in effect indefinitely so long as the  
17 municipality or county, as applicable, continues to qualify for  
18 designation as a readjustment zone under this chapter ~~[until~~  
19 ~~September 1 of the final year of the designation].~~

20           SECTION 8. Section 2310.111(a), Government Code, is amended  
21 to read as follows:

22           (a) The bank may remove the designation of an area  
23 designated as a readjustment zone before September 1, 2017, if:

24           (1) the area no longer meets the criteria for  
25 designation under this chapter, as this chapter existed on January  
26 1, 2017, or by rule of the office adopted under this chapter before  
27 September 1, 2017; or

1           (2) the bank determines that the governing body of the  
2 readjustment zone has not complied with commitments made in the  
3 ordinance or order nominating the area as a readjustment zone  
4 before September 1, 2017.

5           SECTION 9. Section [2310.201](#), Government Code, is amended to  
6 read as follows:

7           Sec. 2310.201. ADMINISTRATION BY GOVERNING BODY. (a) The  
8 governing body of a readjustment zone is the governing body of the  
9 municipality or county [~~, or the governing bodies of the combination~~  
10 ~~of municipalities or counties, that applied to have the area]~~  
11 designated as a readjustment zone.

12           (b) The governing body with administration authority over a  
13 defense readjustment project for which a designation is sought  
14 under Section [2310.002](#)(c) is determined under the terms of an  
15 interlocal agreement required by that subsection.

16           SECTION 10. Section [2310.204](#)(c), Government Code, is  
17 amended to read as follows:

18           (c) The report must include for the year preceding the date  
19 of the report:

20           (1) a list of local incentives for community  
21 development available in the zone;

22           (2) the use of local incentives [~~for which the~~  
23 ~~governing body provided in the ordinance or order nominating the~~  
24 ~~readjustment zone]~~ and the effect of those incentives on revenue;

25           (3) the number of businesses assisted, located, and  
26 retained in the zone since its designation due to the existence of  
27 the readjustment zone;

1 (4) a summary of all industrial revenue bonds issued  
2 to finance projects located in the zone; and

3 (5) a description of all efforts made to attain  
4 revitalization goals for the zone.

5 SECTION 11. Section 2310.301, Government Code, is amended  
6 to read as follows:

7 Sec. 2310.301. DEFINITIONS [~~DEFINITION~~]. In this  
8 subchapter:

9 (1) "New [~~new~~] permanent job" means a new  
10 employment position created by a qualified business as described by  
11 Section 2310.302 that:

12 (A) [~~(1)~~] has provided at least 1,820 hours of  
13 employment a year to a qualified employee; and

14 (B) [~~(2)~~] is intended to exist during the period  
15 that the qualified business is designated as a defense readjustment  
16 project under Section 2310.306.

17 (2) "Retained job" means a job that:

18 (A) existed with a qualified business on the 91st  
19 day before the date the business's project or activity is  
20 designated as a defense readjustment project;

21 (B) has provided and will continue to provide  
22 employment to a qualified employee of at least 1,820 hours  
23 annually; and

24 (C) will be or has been an employment position  
25 for the longer of:

26 (i) the duration of the project's  
27 designation period; or

1                    (ii) three years after the expiration date  
2 of the claim period for receipt of a state benefit authorized by  
3 this chapter.

4            SECTION 12. Section 2310.302(a), Government Code, is  
5 amended to read as follows:

6            (a) A person is a qualified business if the bank, for the  
7 purpose of state benefits under this chapter, or the governing body  
8 of a readjustment zone, for the purpose of local benefits,  
9 certifies that:

10            (1) the person is engaged in or has provided  
11 substantial commitment to initiate the active conduct of a trade or  
12 business in the readjustment zone; and

13            (2) at least 25 percent of the person's new employees  
14 in the readjustment zone are:

15                    (A) residents of the governing jurisdiction;

16                    (B) economically disadvantaged individuals, as  
17 defined by Section 2303.402(c); ~~[or]~~

18                    (C) dislocated defense workers; or

19                    (D) veterans.

20            SECTION 13. Section 2310.303, Government Code, is amended  
21 to read as follows:

22            Sec. 2310.303. PROHIBITION ON QUALIFIED BUSINESS  
23 CERTIFICATION. If the bank determines that the governing body of a  
24 readjustment zone is not complying with this chapter, the bank  
25 shall prohibit the certification of a qualified business in the  
26 zone until the bank determines that the governing body is complying  
27 with this chapter. ~~[The bank may not designate more than two defense~~



1 ~~readjustment projects in a single readjustment zone.]~~

2 SECTION 14. Section 2310.305(b), Government Code, is  
3 amended to read as follows:

4 (b) An application must:

5 (1) describe the procedures and efforts of the  
6 governmental entity or entities [~~that applied to have the area~~  
7 ~~designated as a readjustment zone~~] to facilitate and encourage  
8 participation by and negotiation among affected entities in the  
9 zone in which the qualified business is located;

10 (2) contain an economic analysis of the plans of the  
11 qualified business for expansion, revitalization, or other  
12 activity in the readjustment zone, including:

13 (A) the number of anticipated new permanent jobs  
14 the business will create during the designation period presented in  
15 the form of a tabular listing of:

16 (i) the classification titles of those  
17 jobs; and

18 (ii) the number of jobs and salary range for  
19 each classification title;

20 (B) the anticipated number of permanent jobs the  
21 business will retain during the designation period presented in the  
22 form of a tabular listing of:

23 (i) the classification titles of those  
24 jobs; and

25 (ii) the number of jobs and salary range for  
26 each classification title;

27 (C) the amount of investment to be made in the

1 zone; ~~and~~

2 (D) other information the bank requires;

3 (E) the number of employment positions in  
4 existence at the qualified business site on the 91st day before the  
5 application deadline; and

6 (F) if the application is for a double or triple  
7 jumbo defense adjustment project, as defined by Section 2310.307,  
8 an indication of which level of designation is being sought; and

9 (3) describe the local effort made by the governmental  
10 entity or entities [~~that applied to have the area designated as a~~  
11 ~~readjustment zone~~], the administrative authority, if one exists,  
12 the qualified business, and other affected entities to develop and  
13 revitalize the zone.

14 SECTION 15. Section 2310.306, Government Code, is amended  
15 by adding Subsection (e) to read as follows:

16 (e) The maximum number of defense readjustment projects  
17 that the bank may designate for each readjustment zone during any  
18 biennium is:

19 (1) six, if the readjustment zone is a municipality or  
20 county with a population of less than 250,000; or

21 (2) nine, if the readjustment zone is a municipality  
22 or county with a population of 250,000 or more.

23 SECTION 16. Section 2310.307, Government Code, is amended  
24 to read as follows:

25 Sec. 2310.307. ALLOCATION OF JOBS ELIGIBLE FOR TAX REFUND.

26 (a) The [~~When the bank designates a business as a defense~~  
27 ~~readjustment project, the~~] bank shall allocate to a defense

1 readjustment [~~the~~] project the maximum number of new permanent jobs  
2 or retained jobs eligible based on the amount of capital investment  
3 made in the project, the project's designation level, and the  
4 refund per job with a maximum refund to be included in a computation  
5 of a tax refund for the project.

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

7 (1) \$40,000 to \$399,999 will result in a refund of up  
8 to \$2,500 per job with a maximum refund of \$25,000 for the creation  
9 or retention of 10 jobs;

10 (2) \$400,000 to \$999,999 will result in a refund of up  
11 to \$2,500 per job with a maximum refund of \$62,500 for the creation  
12 or retention of 25 jobs;

13 (3) \$1,000,000 to \$4,999,999 will result in a refund  
14 of up to \$2,500 per job with a maximum refund of \$312,500 for the  
15 creation or retention of 125 jobs;

16 (4) \$5,000,000 or more will result in a refund of up to  
17 \$2,500 per job with a maximum refund of \$1,250,000 for the creation  
18 or retention of 500 jobs, except as provided by Subdivision (5) or  
19 (6);

20 (5) \$150,000,000 to \$249,999,999 will result in a  
21 refund of up to \$5,000 per new permanent job with a maximum refund  
22 of \$2,500,000 for the creation of 500 new permanent jobs if the bank  
23 designates the project as a double jumbo defense readjustment  
24 project; or

25 (6) \$250,000,000 or more will result in a refund of up  
26 to \$7,500 per new permanent job with a maximum refund of \$3,750,000  
27 for the creation of at least 500 new permanent jobs if the bank

1 designates the project as a triple jumbo defense readjustment  
2 project.

3 (c) A defense readjustment project for which a commitment  
4 for a capital investment in the range amount and the creation of the  
5 number of new permanent jobs specified by Subsection (b)(5) is made  
6 is considered a double jumbo defense readjustment project if the  
7 project is so designated by the bank.

8 (d) A defense readjustment project for which a commitment  
9 for a capital investment in the range amount and the creation of the  
10 number of new permanent jobs specified by Subsection (b)(6) is made  
11 is considered a triple jumbo defense readjustment project if the  
12 project is so designated by the bank. [~~The number may not exceed~~  
13 500 or a number equal to 110 percent of the number of anticipated  
14 new permanent jobs or retained jobs specified in the application  
15 for designation of the business as a defense readjustment project  
16 under Section 2310.305, whichever is less.]

17 SECTION 17. Subchapter E, Chapter 2310, Government Code, is  
18 amended by adding Section 2310.3071 to read as follows:

19 Sec. 2310.3071. MAXIMUM TAX REFUND. (a) In this section,  
20 "double jumbo defense readjustment project" and "triple jumbo  
21 defense readjustment project" have the meanings assigned by Section  
22 2310.307.

23 (b) A defense readjustment project is eligible for a maximum  
24 refund of \$250,000 in each state fiscal year.

25 (c) A double jumbo defense readjustment project is eligible  
26 for a maximum refund of \$500,000 in each state fiscal year.

27 (d) A triple jumbo defense readjustment project is eligible

1 for a maximum refund of \$750,000 in each state fiscal year.

2 SECTION 18. Section 2310.405(a), Government Code, is  
3 amended to read as follows:

4 (a) To encourage economic ~~[the]~~ development in the  
5 municipality ~~[of areas designated as readjustment zones]~~, the  
6 governing body of a municipality designated as a readjustment zone  
7 under this chapter, through a program, may refund its local sales  
8 and use taxes paid by a qualified business on all taxable items  
9 purchased for use at the qualified business site related to the  
10 project or activity~~[-~~

11 ~~[(1) the purchase, lease, or rental of equipment or~~  
12 ~~machinery for use in a readjustment zone,~~

13 ~~[(2) the purchase of material for use in remodeling,~~  
14 ~~rehabilitating, or constructing a structure in a readjustment zone,~~

15 ~~[(3) labor for remodeling, rehabilitating, or~~  
16 ~~constructing a structure in a readjustment zone, and~~

17 ~~[(4) electricity and natural gas purchased and~~  
18 ~~consumed in the normal course of business in the readjustment~~  
19 ~~zone].~~

20 SECTION 19. Section 2310.409, Government Code, is amended  
21 to read as follows:

22 Sec. 2310.409. OTHER LOCAL INCENTIVES. (a) The governing  
23 body of a municipality or county that is the governing body of a  
24 readjustment zone may:

25 (1) defer compliance in the zone with the subdivision  
26 and development ordinances or rules, other than those relating to  
27 streets and roads or sewer or water services, of the municipality or

1 county, as appropriate;

2 (2) [~~give priority to the zone for the receipt of:~~

3 [~~(A) community development block grant money,~~

4 [~~(B) industrial revenue bonds, or~~

5 [~~(C) funds received for job training,~~

6 [~~(3) adopt and implement a plan for police protection~~  
7 ~~in the zone,~~

8 [~~(4)] amend the zoning ordinances of the municipality~~

9 or county, as appropriate, to promote economic development in the

10 zone;

11 (3) [~~(5)] establish permitting preferences for~~

12 businesses in the zone;

13 (4) [~~(6)] establish simplified, accelerated, or other~~

14 special permit procedures for businesses in the zone;

15 (5) [~~(7)] waive development fees for projects in the~~

16 zone;

17 (6) [~~(8)] create a local readjustment zone fund for~~

18 funding bonds or other programs or activities to develop or

19 revitalize the zone;

20 (7) [~~(9)] for qualified businesses in the zone, reduce~~

21 rates charged by:

22 (A) a utility owned by the municipality or

23 county, as appropriate; or

24 (B) a cooperative corporation or utility owned by

25 private investors, subject to the requirements of Subsection (b);

26 (8) [~~(10)] in issuing housing finance bonds, give~~

27 priority to persons or projects in the zone;

1           (9) [~~(11)~~] in providing services, give priority to  
2 local economic development, educational, job training, or  
3 transportation programs that benefit the zone; or

4           (10) [~~(12)~~] sell real property owned by the  
5 municipality or county, as appropriate, and located in the  
6 readjustment zone in accordance with Section 2310.410.

7           (b) A reduction in utility rates under Subsection (a)(7)(B)  
8 [~~(a)(9)(B)~~] is subject to the agreement of the affected utility and  
9 the approval of the appropriate regulatory authority under Title 2,  
10 Utilities Code. The rates may be reduced up to but not more than  
11 five percent below the lowest rate allowable for that customer  
12 class. In making its determination under this section, the  
13 regulatory authority shall consider revitalization goals for the  
14 readjustment zone. In setting the rates of the utility the  
15 appropriate regulatory authority shall allow the utility to recover  
16 the amount of the reduction.

17           SECTION 20. Section 151.4291, Tax Code, is amended by  
18 amending Subsections (a), (b), (c), and (e) and adding Subsection  
19 (i) to read as follows:

20           (a) A defense readjustment project is eligible for a refund  
21 in the amount provided by this section of the taxes imposed by this  
22 chapter on purchases of all taxable items purchased for use at the  
23 qualified business site related to the project or activity[+

24           ~~[(1) equipment or machinery sold to a defense~~  
25 ~~readjustment project for use in a readjustment zone,~~

26           ~~[(2) building materials sold to a defense readjustment~~  
27 ~~project for use in remodeling, rehabilitating, or constructing a~~

1 ~~structure in a readjustment zone,~~

2 ~~[(3) labor for remodeling, rehabilitating, or~~  
3 ~~constructing a structure by a defense readjustment project in a~~  
4 ~~readjustment zone; and~~

5 ~~[(4) electricity and natural gas purchased and~~  
6 ~~consumed in the normal course of business in the readjustment~~  
7 ~~zone].~~

8 (b) Subject to the limitations provided by Subsection (c)  
9 ~~[of this section]~~, a defense readjustment project qualifies for a  
10 refund of taxes under this section based on the amount of capital  
11 investment made at the qualified business site, the project's  
12 designation level, and the refund per job with a maximum refund to  
13 be included in a computation of a tax refund for the project. A  
14 capital investment at the qualified business site of:

15 (1) \$40,000 to \$399,999 will result in a refund of up  
16 to \$2,500 per job with a maximum refund of \$25,000 for the creation  
17 or retention of 10 jobs;

18 (2) \$400,000 to \$999,999 will result in a refund of up  
19 to \$2,500 per job with a maximum refund of \$62,500 for the creation  
20 or retention of 25 jobs;

21 (3) \$1,000,000 to \$4,999,999 will result in a refund  
22 of up to \$2,500 per job with a maximum refund of \$312,500 for the  
23 creation or retention of 125 jobs;

24 (4) \$5,000,000 or more will result in a refund of up to  
25 \$2,500 per job with a maximum refund of \$1,250,000 for the creation  
26 or retention of 500 jobs, except as provided by Subdivision (5) or  
27 (6);



1           (5) \$150,000,000 to \$249,999,999 will result in a  
2 refund of up to \$5,000 per new permanent job with a maximum refund  
3 of \$2,500,000 for the creation of 500 new permanent jobs if the  
4 Texas Economic Development Bank designates the project as a double  
5 jumbo defense readjustment project; or

6           (6) \$250,000,000 or more will result in a refund of up  
7 to \$7,500 per new permanent job with a maximum refund of \$3,750,000  
8 for the creation of at least 500 new permanent jobs if the Texas  
9 Economic Development Bank designates the project as a triple jumbo  
10 defense readjustment project [~~of \$2,500 for each new permanent job~~  
11 ~~or job that has been retained by the defense readjustment project~~  
12 ~~for a qualified employee].~~

13           (c) The total amount of tax refund that a defense  
14 readjustment project may apply for in a state fiscal year may not  
15 exceed \$250,000, at not more than \$2,500 per job. The total amount  
16 of tax refund that a double jumbo defense readjustment project may  
17 apply for in a state fiscal year may not exceed \$500,000, at not  
18 more than \$5,000 per new permanent job. The total amount of tax  
19 refund that a triple jumbo defense readjustment project may apply  
20 for in a state fiscal year may not exceed \$750,000, at not more than  
21 \$7,500 per new permanent job. If a defense readjustment project,  
22 double jumbo defense readjustment project, or triple jumbo defense  
23 readjustment project qualifies in a state fiscal year for a refund  
24 of taxes in an amount in excess of the applicable limitation  
25 provided by this subsection, it may apply for a refund of those  
26 taxes in a subsequent year, subject to the applicable limitation  
27 for each year. The total amount that may be refunded to:

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

6           (2) a double jumbo defense readjustment project under  
7 this section may not exceed the amount determined by multiplying  
8 \$500,000 by the number of state fiscal years during which the double  
9 jumbo defense readjustment project created one or more new  
10 permanent jobs for qualified employees; or

11           (3) a triple jumbo defense readjustment project under  
12 this section may not exceed the amount determined by multiplying  
13 \$750,000 by the number of state fiscal years during which the triple  
14 jumbo defense readjustment project created one or more new  
15 permanent jobs for qualified employees. [~~If a defense readjustment~~  
16 ~~project qualifies in a state fiscal year for a refund of taxes in an~~  
17 ~~amount in excess of the limitation provided by this subsection, it~~  
18 ~~may apply for a refund of those taxes in a subsequent year, subject~~  
19 ~~to the \$250,000 limitation for each year. However, a defense~~  
20 ~~readjustment project may not apply for a refund under this section~~  
21 ~~after the end of the state fiscal year immediately following the~~  
22 ~~state fiscal year in which the defense readjustment project's~~  
23 ~~designation as a defense readjustment project expires or is~~  
24 ~~removed. The total amount that may be refunded to a defense~~  
25 ~~readjustment project under this section may not exceed the amount~~  
26 ~~determined by multiplying \$250,000 by the number of state fiscal~~  
27 ~~years during which the defense readjustment project created one or~~

1 ~~more jobs for qualified employees.]~~

2 (e) In this section:

3 (1) "Defense readjustment project" means a person  
4 designated by the Texas Economic Development Bank as a defense  
5 readjustment project under Chapter 2310, Government Code.

6 (2) "Readjustment zone" and "qualified employee" have  
7 the meanings assigned to those terms by Section 2310.001,  
8 Government Code.

9 (3) "New permanent job" means a new employment  
10 position created by a qualified business as described by Section  
11 2310.302, Government Code, that:

12 (A) has provided at least 1,820 hours of  
13 employment a year to a qualified employee; and

14 (B) is intended to exist during the period that  
15 the qualified business is designated as a defense readjustment  
16 project under Chapter 2310, Government Code.

17 (4) "Retained job" has the meaning assigned by Section  
18 2310.301, Government Code.

19 (5) "Double jumbo defense readjustment project" and  
20 "triple jumbo defense readjustment project" have the meanings  
21 assigned by Section 2310.307, Government Code.

22 (i) As provided by Subsection (c), a double jumbo defense  
23 readjustment project is eligible for a maximum refund of \$500,000  
24 and a triple jumbo defense readjustment project is eligible for a  
25 maximum refund of \$750,000 in each state fiscal year.

26 SECTION 21. Sections 2310.001(4), 2310.053(d), 2310.103,  
27 2310.104, 2310.105, 2310.106, 2310.107, 2310.108, 2310.110, and

1 2310.407, Government Code, are repealed.

2 SECTION 22. The changes in law made by this Act to Chapter  
3 2310, Government Code, apply only to an application for a  
4 designation of a project or activity under the defense economic  
5 readjustment zone program under Chapter 2310, Government Code, as  
6 amended by this Act, that is filed on or after the effective date of  
7 this Act. An application for designation of a project or activity  
8 under the defense economic readjustment zone program that is filed  
9 before the effective date of this Act is governed by the law in  
10 effect on the date the application was filed, and the former law is  
11 continued in effect for that purpose.

12 SECTION 23. The changes in law made by this Act to Section  
13 151.4291, Tax Code, apply only to an application for a tax refund  
14 made on or after the effective date of this Act. An application for  
15 a tax refund made before the effective date of this Act is governed  
16 by the law in effect on the date the application was made, and the  
17 former law is continued in effect for that purpose.

18 SECTION 24. This Act takes effect September 1, 2017.