

By: White

H.B. No. 3565

A BILL TO BE ENTITLED

AN ACT

relating to the creation of certain pilot programs to encourage economic and educational opportunities in certain regions of this state.

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

SECTION 1. Subtitle C, Title 15, Business & Commerce Code, is amended by adding Chapter 682 to read as follows:

CHAPTER 682. SPECIAL ECONOMIC ZONE PILOT PROGRAM

Sec. 682.001. DEFINITIONS. In this chapter:

(1) "Department" means the Texas Department of Licensing and Regulation.

(2) "Pilot program" means the Special Economic Zone pilot program established under this chapter.

Sec. 682.002. ESTABLISHMENT OF PILOT PROGRAM. (a) The Texas Department of Licensing and Regulation, in cooperation with the secretary of state, the comptroller, the Texas Commission on Environmental Quality, other state agencies, and political subdivisions of this state that provide occupational licenses, shall establish a pilot program to create special economic zones in eligible counties of this state for the purpose of reducing barriers and costs of entry to occupations and entrepreneurship for residents of and new and existing businesses located in or relocating to a special economic zone.

(b) The department shall select eligible counties for

1 participation in the pilot program, at least one of which must have
2 a school district in the county participating in the Rural School
3 Innovation Zones pilot program established under Subchapter O,
4 Chapter 29, Education Code.

5 (c) To the extent not prohibited by law, the pilot program
6 must, unless the department determines that the activity endangers
7 or is likely to endanger the health, safety, or welfare of the
8 public, provide for the following in participating counties:

9 (1) waiving fees for filing a certificate of formation
10 with the secretary of state;

11 (2) waiving all professional licensing fees imposed by
12 state agencies;

13 (3) waiving minimum time periods or examination
14 requirements for offering reciprocity to out-of-state occupational
15 license holders;

16 (4) waiving minimum credit hours and other educational
17 prerequisites for eligibility to sit for certain occupational
18 licensing exams and allowing licensure from the passage of the
19 relevant licensing exam;

20 (5) waiving or reducing permitting fees and allowing
21 expedited processing of certain environmental permits issued by the
22 Texas Commission on Environmental Quality, including:

23 (A) waiving fees or issuing refunds for air
24 permits by rule and waiving requirements for certain standard air
25 permits for small businesses, nonprofit corporations,
26 municipalities, counties, and independent school districts;

27 (B) exempting facilities permitted by rule from

1 additional permits or registrations required by local air pollution
2 control agencies;

3 (C) expanding the readily available permit
4 program of the Texas Commission on Environmental Quality, including
5 by developing additional readily available permits tailored for
6 manufacturing, wood-processing, and other industrial sectors and
7 facility types commonly found in East Texas; and

8 (D) reducing or waiving fees and waiving
9 requirements for obtaining a Texas Commission on Environmental
10 Quality occupational license, including waiving the requirement
11 that an individual must be in compliance with the payment of
12 guaranteed student loans to be eligible for a license;

13 (6) suspending any duplicative local government
14 occupational license requirements;

15 (7) waiving the annual requirement to file a "no tax
16 due" franchise tax report with the comptroller; and

17 (8) a \$2 million minimum deduction from the state
18 franchise tax.

19 Sec. 682.003. ELIGIBLE COUNTIES: SPECIAL ECONOMIC ZONE
20 LOCATIONS. (a) A special economic zone may be created in counties
21 in this state that meet one or more of the following criteria, as
22 measured during the five years preceding the creation of the zone:

23 (1) school districts in the region received an overall
24 district performance rating under Section 39.054 or made
25 achievements under the closing the gaps domain under Section
26 39.053(c) lower than the state average;

27 (2) the percentage of the population with a bachelor's

1 degree or higher was lower than the state average;

2 (3) population growth was negative or lower than the
3 state average;

4 (4) zero or very few new building permits were issued;

5 (5) retail sales per capita were lower than the state
6 average;

7 (6) the number of employer establishments was lower
8 than the state average;

9 (7) median household income was lower than the state
10 average;

11 (8) the number of persons living in poverty was higher
12 than the state average for communities of the same size; and

13 (9) unemployment rates were stagnant or increasing.

14 (b) A pilot program must be created in eligible counties
15 that, to the extent possible, represent different regions of this
16 state.

17 Sec. 682.004. REPORT. Not later than December 1 of each
18 even-numbered year, the department shall submit to the legislature
19 a report on the effectiveness of the pilot program. The department
20 shall include in the report a recommendation regarding whether the
21 pilot program should be continued, expanded, or terminated.

22 Sec. 682.005. EXPIRATION. This chapter expires September
23 1, 2025.

24 SECTION 2. Chapter 29, Education Code, is amended by adding
25 Subchapter O to read as follows:

26 SUBCHAPTER O. RURAL SCHOOL INNOVATION ZONES PILOT PROGRAM

27 Sec. 29.601. DEFINITIONS. In this subchapter:

1 (1) "Institution of higher education" has the meaning
2 assigned by Section 61.003.

3 (2) "Pilot program" means the Rural School Innovation
4 Zones pilot program established under this subchapter.

5 Sec. 29.602. ESTABLISHMENT. (a) The Rural School
6 Innovation Zones pilot program is established to align the delivery
7 of educational services in eligible regions of the state to
8 maximize workforce preparation and improve student outcomes at the
9 primary, secondary, and postsecondary levels.

10 (b) A school district located in an eligible region of the
11 state designated under Section 29.605 may elect to participate in
12 the pilot program by entering into an agreement with one or more
13 other school districts in that region to establish a regional
14 administrator to manage the educational and career opportunities
15 that will be offered under the pilot program to high school students
16 enrolled at the participating districts.

17 Sec. 29.603. REGIONAL ADMINISTRATOR. (a) The governing
18 body of a regional administrator established under Section
19 29.602(b) must include:

20 (1) at least one representative of:

21 (A) the applicable regional education service
22 center; and

23 (B) each participating school district; and

24 (2) representatives of the business community or
25 institutions of higher education in the applicable region that have
26 experience in operating a P-TECH program under Subchapter N.

27 (b) The members described by Subsection (a)(2) must be

1 appointed by the commissioner in a number that exceeds the number of
2 members affiliated with participating school districts.

3 (c) The governing body shall hire an executive director for
4 the regional administrator.

5 (d) The regional administrator shall:

6 (1) manage the portfolio of educational and career
7 opportunities offered by participating school districts;

8 (2) enter into:

9 (A) articulation agreements with institutions of
10 higher education in the region to offer to high school students
11 enrolled at participating school districts dual credit courses
12 aligned with the programs offered under the pilot program under
13 Section 29.604; and

14 (B) memoranda of understanding with regional
15 business partners to provide high school students enrolled at
16 participating school districts access to work-based training and
17 education;

18 (3) facilitate discussion between the participating
19 school districts, business partners, and institutions of higher
20 education to align program offerings under the pilot program;

21 (4) manage student transportation between the
22 participating school districts, business partners, and
23 institutions of higher education;

24 (5) collaborate with:

25 (A) parents of students enrolled at
26 participating school districts to identify programs of interest;

27 and

1 (B) local businesses and local workforce
2 development boards to identify regional workforce needs;

3 (6) work with child care and prekindergarten providers
4 in the region to improve the quality of those programs and allow for
5 a seamless transition to kindergarten;

6 (7) provide supports to educators who develop ideas
7 for new programs or schools that fulfill educational or workforce
8 needs in the region; and

9 (8) develop and provide college and career counseling
10 services to high school students enrolled at participating school
11 districts.

12 Sec. 29.604. PROGRAM REQUIREMENTS. (a) Each participating
13 school district shall offer educational or career-oriented
14 pathways of focus to all high school students enrolled at
15 participating districts in the region.

16 (b) The programs offered under the pilot program:

17 (1) must:

18 (A) enable each high school student enrolled at a
19 participating district to graduate high school with an associate
20 degree;

21 (B) include a P-TECH program in each community in
22 the region; and

23 (C) include an open-enrollment early college
24 high school program in at least one community in the region; and

25 (2) may enable each high school student enrolled at a
26 participating district to graduate high school with a two-year
27 postsecondary certificate or industry certification.

1 (c) Any agreement with a business partner to participate in
2 the pilot program must require the business partner to offer paid
3 internships to high school students enrolled at participating
4 districts.

5 Sec. 29.605. ELIGIBLE REGION. To be an eligible region
6 under the pilot program, a region must meet one or more of the
7 following criteria, as measured during the five years preceding the
8 participation of school districts in the region in the pilot
9 program:

10 (1) school districts in the region received an overall
11 district performance rating under Section 39.054 or made
12 achievements under the closing the gaps domain under Section
13 39.053(c) lower than the state average;

14 (2) the percentage of the population with a bachelor's
15 degree or higher was lower than the state average;

16 (3) population growth was negative or lower than the
17 state average;

18 (4) zero or very few new building permits were issued;

19 (5) retail sales per capita were lower than the state
20 average;

21 (6) the number of employer establishments was lower
22 than the state average;

23 (7) median household income was lower than the state
24 average;

25 (8) the number of persons living in poverty was higher
26 than the state average for communities of the same size; and

27 (9) unemployment rates were stagnant or increasing.

1 Sec. 29.606. REPORT. Not later than December 1 of each
2 even-numbered year, the agency shall submit to the legislature a
3 report on the effectiveness of the pilot program. The agency shall
4 include in the report a recommendation regarding whether the pilot
5 program should be continued, expanded, or terminated.

6 Sec. 29.607. EXPIRATION. This subchapter expires September
7 1, 2025.

8 SECTION 3. Subchapter O, Chapter 29, Education Code, as
9 added by this Act, applies beginning with the 2019-2020 school
10 year.

11 SECTION 4. This Act takes effect September 1, 2019.