

By: Hughes

S.B. No. 2380

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the creation of certain pilot programs to encourage  
3 economic and educational opportunities in certain regions of this  
4 state.

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

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

8 CHAPTER 682. SPECIAL ECONOMIC ZONE PILOT PROGRAM

9 Sec. 682.001. DEFINITIONS. In this chapter:

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

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

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

24 (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.