By:  White H.B. No. 819

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

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

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

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

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

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

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

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

(B)  exempting facilities permitted by rule from additional permits or registrations required by local air pollution control agencies;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9)  unemployment rates were stagnant or increasing.

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

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

Sec. 682.005.  EXPIRATION. This chapter expires September 1, 2027.

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

SUBCHAPTER O. RURAL SCHOOL INNOVATION ZONES PILOT PROGRAM

Sec. 29.601.  DEFINITIONS. In this subchapter:

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

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

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

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

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

(1)  at least one representative of:

(A)  the applicable regional education service center; and

(B)  each participating school district; and

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

(b)  The members described by Subsection (a)(2) must be appointed by the commissioner in a number that exceeds the number of members affiliated with participating school districts.

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

(d)  The regional administrator shall:

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

(2)  enter into:

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

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

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

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

(5)  collaborate with:

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

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

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

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

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

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

(b)  The programs offered under the pilot program:

(1)  must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9)  unemployment rates were stagnant or increasing.

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

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

SECTION 3.  Subchapter O, Chapter 29, Education Code, as added by this Act, applies beginning with the 2021-2022 school year.

SECTION 4.  This Act takes effect September 1, 2021.