

By: Hinojosa

S.B. No. 1466

A BILL TO BE ENTITLED

AN ACT

relating to the enterprise zone program.

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

SECTION 1. Section 2303.003, Government Code, is amended by amending Subdivision (7) adding Subdivisions (8-a) and (8-b) to read as follows:

(7) "Qualified employee" means a person who:

(A) works for a qualified business;

(B) receives wages from the qualified business from which employment taxes are deducted; and

(C) performs at least 50 percent of the person's service for the business at the qualified business site, performs the person's service for the business pursuant to a qualified telework arrangement for the qualified business site and resides within 50 miles of the qualified business site, or if the person engages in the transportation of goods or services, the person reports to the qualified business site and resides within 50 miles of the qualified business site.

(8-a) "Qualified telework" means telework affiliated with the qualified business site and performed by an employee who is a resident of this state. The term does not include telework that occurs out of this state. To be considered qualified telework, a telework arrangement that requires more than 50 percent of work time to be completed through telework must be attributed to

1 circumstances that do not allow the employee to work at least 50  
2 percent of the time at the qualified business site.

3 (8-b) "Telework" means the performance of services  
4 remotely through the use of email, Internet, and telephone from a  
5 person's residence.

6 SECTION 2. Section 2303.402(a), Government Code, is amended  
7 to read as follows:

8 (a) A person is a qualified business if the bank, for the  
9 purpose of state benefits under this chapter, or the nominating  
10 body of a project or activity of the person under this chapter, for  
11 the purpose of local incentives, certifies that:

12 (1) the person is engaged in or has provided  
13 substantial commitment to initiate the active conduct of a trade or  
14 business in an enterprise zone, and at least 25 percent of the  
15 person's new permanent jobs in the enterprise zone are held by:

16 (A) residents of any enterprise zone in this  
17 state;

18 (B) economically disadvantaged individuals; ~~or~~

19 (C) veterans; or

20 (D) residents of an area in this state designated  
21 as a qualified opportunity zone under Section 1400Z-1, Internal  
22 Revenue Code of 1986.

23 (2) the person is engaged in or has provided  
24 substantial commitment to initiate the active conduct of a trade or  
25 business in an area of this state that does not qualify as an  
26 enterprise zone, and at least 35 percent of the person's new  
27 permanent jobs at the qualified business site are held by:

1 (A) residents of any enterprise zone in this  
2 state;

3 (B) individuals who are economically  
4 disadvantaged; ~~[or]~~

5 (C) veterans; or

6 (D) residents of an area in this state designated  
7 as a qualified opportunity zone under Section 1400Z-1, Internal  
8 Revenue Code of 1986.

9 SECTION 3. Section 2303.406(h), Government Code, is amended  
10 to read as follows:

11 (h) A state benefit may not be obtained under this chapter  
12 or Chapter 151, Tax Code, for jobs moved to a qualified business  
13 site from any other business site ~~[from one jurisdiction in this~~  
14 ~~state to another jurisdiction]~~ in this state.

15 SECTION 4. Section 2303.4072, Government Code, is amended  
16 to read as follows:

17 Sec. 2303.4072. ENTERPRISE PROJECT CLAIM FOR STATE BENEFIT.

18 (a) Except as provided by Subsection (b), a [A] person must make a  
19 claim to the comptroller for a state benefit as prescribed under  
20 this chapter and Chapter 151, Tax Code, not later than 18 months  
21 after the date on which the term of the enterprise project  
22 designation expires as provided by Section 2303.404.

23 (b) If the enterprise project term designation expired on or  
24 after March 1, 2020, and before March 2, 2021, the person must make  
25 the claim to the comptroller under Subsection (a) not later than 20  
26 months after the date the designation expired. This subsection  
27 expires January 1, 2023.

1 SECTION 5. Subchapter F, Chapter 2303, Government Code, is  
2 amended by adding Section 2303.409 to read as follows:

3 Sec. 2303.409. TEMPORARY WAIVER OF EMPLOYMENT HOURS  
4 REQUIREMENT. (a) Notwithstanding any other provision of law, the  
5 minimum requirement of annual employment hours for a new permanent  
6 job or a retained job as defined by Section 2303.401 is waived for  
7 any certification or retention period that includes any period  
8 beginning March 1, 2020, and ending December 31, 2022, if the  
9 qualified business can show noncompliance was a result of the  
10 COVID-19 pandemic.

11 (b) This section expires December 31, 2023.

12 SECTION 6. Section 151.429, Tax Code, is amended by  
13 amending Subsection (g) and adding Subsection (g-1) to read as  
14 follows:

15 (g) The refund provided by this section is conditioned on  
16 the enterprise project maintaining ~~[at least]~~ the baseline ~~[same]~~  
17 level of employment of qualified employees as specified by the bank  
18 through the project's expiration ~~[existed at the time it qualified~~  
19 ~~for a refund for a period of three years from that]~~ date. The  
20 comptroller shall ~~[annually]~~ certify whether that level of  
21 employment of qualified employees has been maintained. On  
22 certifying that the baseline level of employment specified by the  
23 bank ~~[such a level]~~ has not been maintained, the comptroller shall  
24 assess that portion of the refund attributable to any such decrease  
25 in employment, including penalty and interest from the date of the  
26 refund.

27 (g-1) Notwithstanding Subsection (g), the level of

1 employment of qualified employees required to be maintained by an  
2 enterprise project is waived for any period that includes any  
3 period beginning March 1, 2020, and ending December 31, 2022, if the  
4 qualified business shows that noncompliance with this requirement  
5 was due to the COVID-19 pandemic. This subsection expires January  
6 1, 2023.

7 SECTION 7. (a) Except as provided by Subsection (b) of this  
8 section, the changes in law made by this Act apply only to an  
9 application for an enterprise project designation under Chapter  
10 2303, Government Code, as amended by this Act, that is submitted on  
11 or after the effective date of this Act. An application for an  
12 enterprise project designation that is submitted before the  
13 effective date of this Act is governed by the law in effect on the  
14 date the application was submitted, and the former law is continued  
15 in effect for that purpose.

16 (b) Section 2303.409, Government Code, as added by this Act,  
17 and Section 151.429(g-1), Tax Code, as added by this Act, apply to a  
18 claim for a state benefit made to the comptroller of public accounts  
19 on or after the effective date of this Act.

20 SECTION 8. This Act takes effect immediately if it receives  
21 a vote of two-thirds of all the members elected to each house, as  
22 provided by Section 39, Article III, Texas Constitution. If this  
23 Act does not receive the vote necessary for immediate effect, this  
24 Act takes effect September 1, 2021.