

BILL ANALYSIS

H.B. 406
By: Ordaz
Trade, Workforce & Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current law allows cities and counties to enter into local economic development agreements with businesses to provide them loans or grants to bolster the local economy, maintain competitiveness, and spur job creation. However, the El Paso local workforce development board, Workforce Solutions Borderplex, has informed the bill's author that while local governments are required to notify the comptroller of public accounts about these agreements, this information is not sent to local workforce development boards—organizations that are integral to connecting businesses with local qualified workers, training grants, and other resources that could enhance companies' establishment and expansion efforts. H.B. 406 seeks to require cities and counties to timely provide written notification to their local workforce development boards when the cities and counties sign local economic development agreements.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 406 amends the Local Government Code to require a municipality or a county, not later than the 14th day after the date of entering into, amending, or renewing a local economic development agreement authorized by statutory provisions relating to municipal planning and development and to county development and growth, as applicable, to provide written notice of the action to the local workforce development board for the workforce development area in which the respective municipality or county is located. The bill requires such a notice to include the same information regarding the agreement that is statutorily required to be included in the local development agreement database. The bill's provisions apply only to an agreement entered into, amended, or renewed on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2025.