

- SUBJECT:** Using the Texas Enterprise Fund to retain businesses in the state
- COMMITTEE:** Technology, Economic Development and Workforce — committee substitute recommended
- VOTE:** 8 ayes — Strama, Parker, F. Brown, Button, Eissler, Gattis, Harless, Rodriguez
- 0 nays
- 1 absent — Ritter
- WITNESSES:** For — Rick Levy, Texas AFL-CIO; Paul Mayer, Garland Chamber of Commerce, Garland Economic Development Partnership, Dallas County Manufacturers' Association; Rebecca Moss, Texas Association of Manufacturers; (*Registered, but did not testify*: Bill Hammond, Texas Association of Business)
- Against — None
- On — Danny Booth, Texas Economic Development Council (EDC), Terrell Economic Development Council; Carlton Schwab, Texas EDC; (*Registered, but did not testify*: Bill Sproull, Texas EDC)
- BACKGROUND:** Government Code, sec. 481.078 outlines provisions for the Texas Enterprise Fund. The fund provides grants for economic, infrastructure, and community development, job training programs, and business incentives. The governor administers the fund on behalf of the state and must have the approval of the lieutenant governor and the House speaker before awarding grants.
- DIGEST:** CSHB would allow money appropriated from the Texas Enterprise Fund (TEF) for the fiscal 2010-11 biennium to be used for incentives to retain businesses within the state that were considering relocating outside Texas. These provisions would expire January 1, 2012.
- The bill would amend Government Code, sec. 481.078 to state that TEF allocations for business retention would apply only to a state fiscal biennium that on its first day had an unemployment rate, as determined by

the federal Bureau of Labor Statistics, of 7 percent or more. These provisions would take effect September 1, 2011.

Except as otherwise provided, this bill would take effect September 1, 2009.

NOTES:

The committee substitute differs from the bill as filed by adding the provision that enterprise fund incentives for business retention could be used only if a business were considering relocating outside Texas.