

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1771
By: Brimer
Government Organization
4/28/2003
Committee Report (Substituted)

DIGEST AND PURPOSE

C.S.S.B. 1771 creates the Texas Enterprise Fund as an account in the general revenue fund to be used for economic development, infrastructure development, community development, job training programs, and business incentives and provides for the coordination of economic development efforts by the Texas Department of Economic Development.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter B, Chapter 481, Government Code, by adding Section 481.0215, as follows:

Sec. 481.0215. COORDINATION OF ECONOMIC DEVELOPMENT EFFORTS. (a) Requires the executive director of the Texas Department of Economic Development (TDED) to work with the legislature and state agencies to identify grants and programs at all levels of government and to maximize access to federal funds for economic development.

(b) Requires the executive director of TDED, at the direction of the governor, to work with each state agency that administers a program relating to job training or job creation, including the Texas Workforce Commission, the Council on Workforce and Economic Competitiveness, the Department of Agriculture, and the Office of Rural Affairs, to address the challenges facing the agencies relating to job training and job creation.

(c) Authorizes the executive director of TDED to form partnerships or enter into agreements with private entities and develop connections with existing businesses in this state for the purpose of improving the marketing of this state through networking and clarifying the potential of the businesses for expansion.

SECTION 2. Amends Subchapter E, Chapter 481, Government Code, by adding Section 481.078, as follows:

Sec. 481.078. TEXAS ENTERPRISE FUND. (a) Provides that the Texas Enterprise Fund is an account in the general revenue fund.

(b) Requires certain amounts to be deposited in the fund.

(c) Authorizes the fund to be used for economic development, infrastructure development, community development, job training programs, and business incentives.

(d) Authorizes the fund to be temporarily used by the comptroller for cash

management purposes.

(e) Authorizes the governor to negotiate on behalf of the state to grant money from the fund, and authorizes the governor to only direct the use of money from the fund with the express written consent of the Legislative Budget Board.

(f) Authorizes the governor, before granting money from the fund, to enter into a written agreement with the entity being granted funds specifying that certain conditions and criteria are met.

SECTION 3. Amends Subchapter K, Chapter 481, Government Code, by adding Section 481.169, as follows:

Sec. 481.169. **ADVISORY BOARD OF ECONOMIC DEVELOPMENT STAKEHOLDERS.** (a) Provides that an advisory board of economic development stakeholders is created to assist TDED.

(b) Provides the board is composed of seven members who serve staggered four-year terms. Requires the governor to appoint three members, the lieutenant governor to appoint two members, and the speaker of the house of representatives to appoint two members to the advisory board. Requires the governor, lieutenant governor, and speaker of the house of representatives to each appoint one of the initial members to a two-year term. Requires each member of the advisory board, thereafter, to be appointed to a four-year term.

(c) Requires the advisory board to collect and disseminate information on federal, state, local, and private community economic development programs, including loans, grants, and other funding sources.

SECTION 4. Amends Section 311.0125, Tax Code, by adding Subsection (e) to authorize TDED to recommend that a taxing unit enter into a tax abatement agreement with a person under this chapter. Requires the board of directors of a reinvestment zone and the governing body of a taxing unit, in determining whether to approve an agreement to abate taxes on real property in a reinvestment zone under Subsection (b), to consider any recommendation made by TDED.

SECTION 5. Amends Section 312.204, Tax Code, by adding Subsection (g) to authorize TDED to recommend that a taxing unit enter into a tax abatement agreement with a person under this chapter. Requires the governing body of a municipality, in determining whether to enter into a tax abatement agreement under this section, to consider any recommendation made by TDED.

SECTION 6. Amends Section 312.402, Tax Code, by adding Subsection (f) to authorize TDED to recommend that a taxing unit enter into a tax abatement agreement with a person under this chapter. Requires the commissioners court of a county, in determining whether to enter into a tax abatement agreement under this section, to consider any recommendation made by TDED.

SECTION 7. Amends Section 313.025, Tax Code, by adding Subsection (g) to authorize TDED to recommend that a school district grant a person a limitation on appraised value under this chapter. Requires the governing body of the school district, in determining whether to grant an application, to consider any recommendation made by TDED.

SECTION 8. Effective date: September 1, 2003.