

By: Nelson

S.B. No. 275

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the abolition of the Texas Department of Economic
3 Development and the transfer of certain of its functions to the
4 Texas Economic Development Office; and the consolidation of tourism
5 promotion functions by agencies of this state.

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

7 ARTICLE 1. ABOLITION OF TEXAS DEPARTMENT OF ECONOMIC DEVELOPMENT;
8 TRANSFER OF CERTAIN FUNCTIONS TO TEXAS ECONOMIC DEVELOPMENT OFFICE

9 SECTION 1.01. The heading to Chapter 481, Government Code,
10 is amended to read as follows:

11 CHAPTER 481. TEXAS [~~DEPARTMENT OF~~] ECONOMIC DEVELOPMENT OFFICE

12 SECTION 1.02. Section 481.001, Government Code, is amended
13 by adding Subdivision (5) to read as follows:

14 (5) "Office" means the Texas Economic Development
15 Office.

16 SECTION 1.03. Section 481.002, Government Code, is amended
17 to read as follows:

18 Sec. 481.002. OFFICE [~~DEPARTMENT~~]. The Texas [~~Department~~
19 ~~of~~] Economic Development Office is an office within the office of
20 the governor [~~agency of the state~~].

21 SECTION 1.04. Section 481.003, Government Code, is amended
22 to read as follows:

23 Sec. 481.003. SUNSET PROVISION. The Texas [~~Department of~~]
24 Economic Development Office is subject to Chapter 325 (Texas Sunset

1 Act). Unless continued in existence as provided by that chapter,
2 the office [~~department~~] is abolished and this chapter expires
3 September 1, 2012 [~~2003~~].

4 SECTION 1.05. Section 481.0042, Government Code, is amended
5 by amending Subsections (a), (b), (c), and (e), and adding
6 Subsection (f) to read as follows:

7 (a) A person may not [~~serve as a public member of the~~
8 ~~governing board or~~] be the executive director or an employee of the
9 office employed in a "bona fide executive, administrative, or
10 professional capacity," as that phrase is used for purposes of
11 establishing an exemption to the overtime provisions of the federal
12 Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.),
13 and its subsequent amendments, [~~department~~] if the person:

14 (1) is employed by, participates in the management of,
15 or is a paid consultant of a business entity that contracts with the
16 office [~~department~~];

17 (2) owns or controls, directly or indirectly, more
18 than a 10 percent interest in a business entity or other
19 organization that contracts with the office [~~department~~];

20 (3) uses or receives a substantial amount of tangible
21 goods, services, or funds from the office [~~department~~], other than
22 compensation or reimbursement authorized by law for employee
23 salaries and benefits [~~or for governing board membership,~~
24 ~~attendance, and expenses~~]; or

25 (4) is an officer, employee, or paid consultant of a
26 trade association of businesses in the field of economic
27 development or that contracts with the office [~~department~~].

1 (b) A person may not [~~serve as a public member of the~~
2 ~~governing board or~~] be the executive director or an employee of the
3 office [~~department~~] if the person's spouse:

4 (1) is employed by, participates in the management of,
5 or is a paid consultant of a business entity that contracts with the
6 office [~~department~~];

7 (2) owns or controls, directly or indirectly, more
8 than a 10 percent interest in a business entity or other
9 organization that contracts with the office [~~department~~];

10 (3) uses or receives a substantial amount of tangible
11 goods, services, or funds from the office [~~department~~]; or

12 (4) is an officer, manager, or paid consultant of a
13 trade association of businesses in the field of economic
14 development or that contracts with the office [~~department~~].

15 (c) For the purposes of this section, a trade association is
16 a nonprofit, cooperative, and voluntarily joined association of
17 business or professional competitors in this state designed to
18 assist its members and its industry or profession in dealing with
19 mutual business or professional problems and in promoting their
20 common interest.

21 (e) A person may not be [~~a member of the governing board or~~]
22 the executive director or an employee of the office [~~department~~] if
23 the person is required to register as a lobbyist under Chapter 305
24 because of the person's activities for compensation on behalf of a
25 business entity that has an interest in a contract with the office
26 [~~department~~] or a profession related to the operation of the office
27 [~~department~~].

1 (f) A person may not act as the general counsel to the office
2 if the person is required to register as a lobbyist under Chapter
3 305, Government Code, because of the person's activities for
4 compensation on behalf of a profession related to the operation of
5 the office.

6 SECTION 1.06. Subchapter A, Chapter 481, Government Code,
7 is amended by adding Section 481.0045 to read as follows:

8 Sec. 481.0045. NEGOTIATED RULEMAKING AND ALTERNATIVE
9 DISPUTE RESOLUTION POLICY. (a) The office shall develop and
10 implement a policy to encourage the use of:

11 (1) negotiated rulemaking procedures under Chapter
12 2008 for the adoption of office rules; and

13 (2) appropriate alternative dispute resolution
14 procedures under Chapter 2009 to assist in the resolution of
15 internal and external disputes under the office's jurisdiction.

16 (b) The office's procedures relating to alternative dispute
17 resolution must conform, to the extent possible, to any model
18 guidelines issued by the State Office of Administrative Hearings
19 for the use of alternative dispute resolution by state agencies.

20 (c) The office shall designate a trained person to:

21 (1) coordinate the implementation of the policy
22 adopted under Subsection (a);

23 (2) serve as a resource for any training needed to
24 implement the procedures for negotiated rulemaking or alternative
25 dispute resolution; and

26 (3) collect data concerning the effectiveness of those
27 procedures, as implemented by the office.

1 SECTION 1.07. The heading to Section 481.005, Government
2 Code, is amended to read as follows:

3 Sec. 481.005. EXECUTIVE DIRECTOR; [~~GOVERNING BOARD~~]
4 DUTIES.

5 SECTION 1.08. Sections 481.005(a), (c), and (d), Government
6 Code, are amended to read as follows:

7 (a) The governor [~~governing board~~] shall appoint [~~employ~~]
8 an executive director of the office [~~department~~] who serves at the
9 pleasure of the governor [~~governing board~~].

10 (c) The executive director shall manage the affairs of the
11 office [~~department~~] under the direction of the governor [~~governing~~
12 ~~board~~]. ~~The executive director shall provide administrative support~~
13 ~~to the members of the governing board that is necessary for the~~
14 ~~performance of the functions of the members~~].

15 (d) The executive director [~~members of the governing board~~]
16 shall direct the activities of the office [~~department~~] and, in
17 performing that duty, shall establish policy, adopt rules, evaluate
18 the implementation of new legislation that affects the office's
19 [~~department's~~] duties, review and comment on the office's
20 [~~department's~~] budget, prepare an annual report of the office's
21 [~~department's~~] activities, conduct investigations and studies, and
22 develop long-range plans for the future goals and needs of the
23 office [~~department~~]. [~~The members of the policy board may not be~~
24 ~~involved in the daily operation of the department.~~]

25 SECTION 1.09. Section 481.0065(a), Government Code, is
26 amended to read as follows:

27 (a) The office [~~department~~] shall:

1 (1) establish and maintain an Office of Defense
2 Affairs; and

3 (2) appoint a director to manage the Office of Defense
4 Affairs.

5 SECTION 1.10. Section 481.008, Government Code, is amended
6 to read as follows:

7 Sec. 481.008. AUDIT. (a) The financial transactions of the
8 office [~~department~~] are subject to audit by:

9 (1) the state auditor in accordance with Chapter 321;
10 or

11 (2) a private auditing firm.

12 (b) The state auditor shall inform the executive director
13 [~~presiding officer of the governing board~~] when a financial audit
14 of the office [~~department~~] is not included in the audit plan for the
15 state for a fiscal year. The executive director [~~governing board~~]
16 shall ensure that the department is audited under Subsection (a)(2)
17 during those fiscal years.

18 SECTION 1.11. Section 481.010, Government Code, is amended
19 by amending Subsections (a), (b), (e), and (f), and adding
20 Subsection (i) to read as follows:

21 (a) The executive director shall employ personnel necessary
22 for the performance of office [~~department~~] functions. In addition
23 to other personnel, the executive director shall employ a human
24 rights officer and an internal auditor. The internal auditor shall
25 report directly to the governor [~~governing board~~] and may consult
26 with the executive director or the executive director's designee.

27 (b) The executive director or the executive director's

1 designee shall provide to office [~~governing board members and~~
2 ~~department~~] employees, as often as necessary, information
3 regarding their qualifications for [~~office or~~] employment under
4 this chapter and their responsibilities under applicable laws
5 relating to standards of conduct for state [~~officers or~~] employees.

6 (e) The executive director or the executive director's
7 designee shall develop a system of annual performance evaluations.
8 All merit pay for office [~~department~~] employees must be based on the
9 system established under this subsection.

10 (f) The executive director or the executive director's
11 designee shall prepare and maintain a written policy statement to
12 assure implementation of a program of equal employment opportunity
13 under which all personnel transactions are made without regard to
14 race, color, disability, sex, religion, age, or national origin.
15 The policy statement must include:

16 (1) personnel policies, including policies relating
17 to recruitment, evaluation, selection, appointment, training, and
18 promotion of personnel that are in compliance with requirements of
19 the Commission on Human Rights;

20 (2) a comprehensive analysis of the office
21 [~~department~~] work force that meets federal and state guidelines;

22 (3) procedures by which a determination can be made of
23 significant underuse in the office [~~department~~] work force of all
24 persons for whom federal or state guidelines encourage a more
25 equitable balance; and

26 (4) reasonable methods to appropriately address those
27 areas of significant underuse.

1 (i) The executive director or the executive director's
2 designee shall provide to office employees information and training
3 on the benefits and methods of participation in the State Employee
4 Incentive Program.

5 SECTION 1.12. Section 481.011, Government Code, is amended
6 to read as follows:

7 Sec. 481.011. FISCAL REPORT. The executive director shall
8 file annually with the governor and the presiding officer of each
9 house of the legislature a complete and detailed written report
10 accounting for all funds received and disbursed by the office
11 [~~department~~] during the preceding fiscal year. The annual report
12 must be in the form and reported in the time provided by the General
13 Appropriations Act.

14 SECTION 1.13. Section 481.012, Government Code, is amended
15 to read as follows:

16 Sec. 481.012. PUBLIC INTEREST INFORMATION AND COMPLAINTS.
17 (a) The office [~~department~~] shall prepare information of public
18 interest describing the functions of the office [~~department~~] and
19 the office's [~~department's~~] procedures by which complaints are
20 filed with and resolved by the office [~~department~~]. The office
21 [~~department~~] shall make the information available to the public and
22 appropriate state agencies. The office shall provide to the person
23 filing the complaint and to each person who is a subject of the
24 complaint a copy of the office's policies and procedures relating
25 to complaint investigation and resolution.

26 (b) The office [~~department~~] shall keep an information file
27 about each complaint filed with the office [~~department~~] that the

1 office [~~department~~] has authority to resolve. The file must
2 include:

- 3 (1) the name of the person who filed the complaint;
4 (2) the date the complaint is received by the office;
5 (3) the subject matter of the complaint;
6 (4) the name of each person contacted in relation to
7 the complaint;
8 (5) a summary of the results of the review or
9 investigation of the complaint; and
10 (6) an explanation of the reason the file was closed,
11 if the office closed the file without taking action other than to
12 investigate the complaint.

13 (c) If a written complaint is filed with the office
14 [~~department~~] that the office [~~department~~] has authority to resolve,
15 the office [~~department~~], at least quarterly and until final
16 disposition of the complaint, shall notify the parties to the
17 complaint of the status of the complaint unless the notice would
18 jeopardize an undercover investigation.

19 (d) [~~(c)~~] The office [~~governing board~~] shall prepare and
20 maintain a written plan that describes how a person who does not
21 speak English can be provided reasonable access to the office's
22 [~~department's~~] programs. The office [~~governing board~~] shall also
23 comply with federal and state laws for program and facility
24 accessibility.

25 (e) [~~(d)~~] The executive director [~~governing board~~] by rule
26 shall establish methods by which consumers and service recipients
27 are notified of the name, mailing address, and telephone number of

1 the office [~~department~~] for the purpose of directing complaints to
2 the office [~~department~~].

3 SECTION 1.14. The heading to Subchapter B, Chapter 481,
4 Government Code, is amended to read as follows:

5 SUBCHAPTER B. GENERAL POWERS AND DUTIES OF OFFICE [~~DEPARTMENT~~]

6 SECTION 1.15. Section 481.021, Government Code, is amended
7 to read as follows:

8 Sec. 481.021. GENERAL POWERS OF OFFICE [~~DEPARTMENT~~]. (a)

9 The office [~~department~~] may:

10 (1) adopt and enforce rules necessary to carry out
11 this chapter;

12 (2) adopt and use an official seal;

13 (3) accept gifts, grants, or loans from and contract
14 with any entity;

15 (4) sue and be sued;

16 (5) acquire and convey property or an interest in
17 property;

18 (6) procure insurance and pay premiums on insurance of
19 any type, in accounts, and from insurers as the office [~~department~~]
20 considers necessary and advisable to accomplish any of the office's
21 [~~department's~~] purposes;

22 (7) hold patents, copyrights, trademarks, or other
23 evidence of protection or exclusivity issued under the laws of the
24 United States, any state, or any nation and may enter into license
25 agreements with any third parties for the receipt of fees,
26 royalties, or other monetary or nonmonetary value;

27 (8) sell advertisements in any medium; and

1 (9) exercise any other power necessary to carry out
2 this chapter.

3 (b) Except as otherwise provided by this chapter, money paid
4 to the office [~~department~~] under this chapter shall be deposited in
5 the state treasury.

6 (c) The office [~~department~~] shall deposit contributions
7 from private sources in a separate fund kept and held in escrow and
8 in trust by the comptroller for and on behalf of the office
9 [~~department~~] as funds held outside the treasury under Section
10 404.073, and the money contributed shall be used to carry out the
11 purposes of the office [~~department~~] and, to the extent possible,
12 the purposes specified by the donors. The comptroller may invest
13 and reinvest the money, pending its use, in the fund in investments
14 authorized by law for state funds that the comptroller considers
15 appropriate.

16 SECTION 1.16. Section 481.022, Government Code, is amended
17 to read as follows:

18 Sec. 481.022. GENERAL DUTIES OF OFFICE [~~DEPARTMENT~~]. The
19 office [~~department~~] shall:

20 (1) market and promote the state as a premier business
21 location and tourist destination;

22 (2) facilitate the location, expansion, and retention
23 of domestic and international business investment to the state;

24 ~~[(2) provide statewide toll-free information and~~
25 ~~referrals for business and community economic development,]~~

26 (3) promote and administer business and community
27 economic development programs and services in the state, including

1 business incentive programs;

2 (4) provide to businesses and communities in the state
3 assistance with exporting products and services to international
4 markets; and

5 (5) serve as a central source of economic research and
6 information [~~promote the state as a premier tourist and business~~
7 ~~travel destination;~~

8 [~~(6) provide businesses and local communities with~~
9 ~~timely and useful research and data services;~~

10 [~~(7) aggressively market and promote the business~~
11 ~~climate in the state and the state economic development business~~
12 ~~assistance programs and services through the use of available media~~
13 ~~and resources, including the Internet; and~~

14 [~~(8) seek funding of the department programs and~~
15 ~~activities from federal, state, and private sources].~~

16 SECTION 1.17. Section 481.023, Government Code, is amended
17 to read as follows:

18 Sec. 481.023. ADMINISTRATION OF OTHER STATUTES. (a) The
19 office [~~department~~] shall perform the administrative duties
20 prescribed under:

21 (1) Chapter 1433; and

22 (2) the Development Corporation Act of 1979 (Article
23 5190.6, Vernon's Texas Civil Statutes).

24 (b) The office [~~department~~] shall perform the
25 administrative duties formerly assigned to the Texas Department of
26 Economic Development, the Texas Economic Development Commission,
27 and the Enterprise Zone Board under Chapter 2303.

1 (c) The office [~~department~~] may not use money from the
2 general revenue fund to support the Texas leverage fund.

3 SECTION 1.18. Sections 481.024(a), (e), and (f), Government
4 Code, are amended to read as follows:

5 (a) The Texas Economic Development Corporation on behalf of
6 the state shall carry out the public purposes of this chapter. The
7 creation of the corporation does not limit or impair the rights,
8 powers, and duties of the office [~~department~~] provided by this
9 chapter. The corporate existence of the Texas Economic Development
10 Corporation begins on the issuance of a certificate of
11 incorporation by the secretary of state. The governor shall
12 appoint [~~members of the governing board serve ex officio as~~] the
13 board of directors of the corporation. The governor or the
14 governor's designee and the executive director serve as nonvoting,
15 ex officio members of the board. The corporation has the powers and
16 is subject to the limitations provided for the office [~~department~~]
17 by this chapter in carrying out the public purposes of this chapter.
18 The corporation has the rights and powers of a nonprofit
19 corporation incorporated under the Texas Non-Profit Corporation
20 Act (Article 1396-1.01 et seq., Vernon's Texas Civil Statutes)
21 except to the extent inconsistent with this section. The
22 corporation may contract with the office [~~department~~] and with bond
23 counsel, financial advisors, or underwriters as its board of
24 directors considers necessary.

25 (e) If the board of directors by resolution determines that
26 the purposes for which the corporation was formed have been
27 substantially complied with and that all bonds issued by the

1 corporation have been fully paid, the board of directors shall
2 dissolve the corporation. On dissolution, the title to all funds
3 and properties then owned by the corporation shall be transferred
4 to the office [~~department~~].

5 (f) The Texas Economic Development Corporation and any
6 other corporation whose charter specifically dedicates the
7 corporation's activities to the benefit of the office or the Texas
8 Department of Economic Development or its predecessor agency shall
9 file an annual report of the financial activity of the corporation.
10 The annual report shall be filed prior to the 90th day after the
11 last day for the corporation's fiscal year and shall be prepared in
12 accordance with generally accepted accounting principles. The
13 report must include a statement of support, revenue, and expenses
14 and change in fund balances, a statement of functional expenses,
15 and balance sheets for all funds.

16 SECTION 1.19. Section 481.025, Government Code, is amended
17 to read as follows:

18 Sec. 481.025. EMPOWERMENT ZONE AND ENTERPRISE COMMUNITY
19 PROGRAM. The office [~~department~~] is the agency of this state
20 responsible for administering the Empowerment Zone and Enterprise
21 Community grant program in this state. The office [~~department~~]
22 shall cooperate with appropriate federal and local agencies as
23 necessary to administer the grant program.

24 SECTION 1.20. Subchapter B, Chapter 481, Government Code,
25 is amended by adding Section 481.026 to read as follows:

26 Sec. 481.026. TECHNOLOGICAL SOLUTIONS. The office shall
27 develop and implement a policy that requires the executive director

1 and the staff of the office to research and propose appropriate
2 technological solutions to improve the ability of the office to
3 perform its mission. The technological solutions must include
4 measures to ensure that the public is able to easily find
5 information about the office through the Internet, and that persons
6 who have a reason to use the office's services are able to use the
7 Internet to interact with the office and to access any service that
8 can be provided effectively through the Internet. The policy shall
9 also ensure that the proposed technological solutions are cost
10 effective and developed through the office's planning processes.

11 SECTION 1.21. Sections 481.027(a)-(e), Government Code,
12 are amended to read as follows:

13 (a) The office [~~department~~] shall maintain and operate
14 offices in foreign countries for the purposes of promoting
15 investment that generates jobs in Texas, exporting of Texas
16 products, tourism, and international relations for Texas. The
17 foreign offices shall be named "The State of Texas" offices. To the
18 extent permitted by law, other state agencies that conduct business
19 in foreign countries may place staff in the foreign offices
20 established by the office [~~department~~] and share the overhead and
21 operating expenses of the foreign offices. Other state agencies
22 and the office [~~department~~] may enter interagency contracts for
23 this purpose. Chapter 771 does not apply to those contracts. Any
24 purchase for local procurement or contract in excess of \$5,000
25 shall be approved by the executive director prior to its execution.

26 (b) The foreign offices shall be accessible to Texas-based
27 institutions of higher education and their nonprofit affiliates for

1 the purposes of fostering Texas science, technology, and research
2 development, international trade and investment, and cultural
3 exchange. The office [~~department~~] and the institutions may enter
4 contracts for this purpose. Chapter 771 does not apply to those
5 contracts.

6 (c) The office [~~department~~] shall maintain regional offices
7 in locations specified in the General Appropriations Act.

8 (d) The office [~~department~~] may collect fees for the use of
9 the foreign offices from public and private entities except that
10 any payments by a state agency are governed by any interagency
11 contract under Subsection (a). The fees may be used only to expand,
12 develop, and operate foreign offices under this section.

13 (e) Chapter 2175 applies to the operation and maintenance of
14 the foreign offices. No other provisions of Subtitle D, Title 10,
15 apply to the operation and maintenance of the foreign offices, or to
16 transactions of the office [~~department~~] that are authorized by this
17 section.

18 SECTION 1.22. Section 481.029, Government Code, is amended
19 to read as follows:

20 Sec. 481.029. COST RECOVERY. The office [~~department~~]
21 shall recover the cost of providing direct technical assistance,
22 management training services, and other services to businesses and
23 communities when reasonable and practical.

24 SECTION 1.23. Section 481.043, Government Code, is amended
25 to read as follows:

26 Sec. 481.043. GENERAL POWERS AND DUTIES RELATING TO
27 INTERNATIONAL TRADE. The office [~~department~~] shall:

1 (1) provide businesses in the state with technical
2 assistance, information, and referrals related to the export of
3 products and services, including export finance and international
4 business practices;

5 (2) coordinate the representation of exporters in the
6 state at international trade shows, missions, marts, seminars, and
7 other appropriate promotional venues;

8 (3) cooperate and act in conjunction with other public
9 and private organizations to promote and advance export trade
10 activities in this state; and

11 (4) disseminate trade leads to exporters in the state
12 through the use of the Internet and other available media.

13 SECTION 1.24. Section 481.047, Government Code, is amended
14 to read as follows:

15 Sec. 481.047. CONFIDENTIALITY. Information collected by
16 the office [~~department~~] concerning the identity, background,
17 finance, marketing plans, trade secrets, or other commercially
18 sensitive information of a lender or export business is
19 confidential unless the lender or export business consents to
20 disclosure of the information.

21 SECTION 1.25. Section 481.0725, Government Code, is amended
22 to read as follows:

23 Sec. 481.0725. GENERAL POWERS AND DUTIES. The office
24 [~~department~~] shall:

25 (1) [~~focus business recruitment, expansion, and~~
26 ~~retention efforts on industry sectors with the highest potential~~
27 ~~for creating high-wage, high-skill jobs,~~

1 ~~(2)~~ provide businesses with site selection
2 assistance and communities with investment leads;

3 (2) ~~(3)~~ develop a comprehensive business
4 recruitment marketing plan;

5 (3) ~~(4)~~ participate in international and domestic
6 trade shows, trade missions, marketing trips, and seminars; and

7 (4) ~~(5)~~ produce and disseminate information through
8 the use of available media and resources, including the Internet,
9 to promote business assistance programs and the overall business
10 climate in the state.

11 SECTION 1.26. Section 481.073(c), Government Code, is
12 amended to read as follows:

13 (c) The office ~~[department]~~ may:

14 (1) purchase, discount, sell, assign, negotiate, and
15 otherwise dispose of notes, bonds, and other evidences of
16 indebtedness incurred to finance or refinance projects whether
17 secured or unsecured;

18 (2) administer or participate in programs established
19 by another person to finance or refinance projects; and

20 (3) acquire, hold, invest, use, and dispose of the
21 office's ~~[department's]~~ revenues, funds, and money received from
22 any source under this subchapter and the proceedings authorizing
23 the bonds issued under this subchapter, subject only to the
24 provisions of the Texas Constitution, this subchapter, and any
25 covenants relating to the office's ~~[department's]~~ bonds in classes
26 of investments that the executive director ~~[board]~~ determines.

27 SECTION 1.27. Section 481.075, Government Code, is amended

1 to read as follows:

2 Sec. 481.075. PROGRAM RULES. (a) The executive director
3 [~~department~~] shall adopt rules to establish criteria for
4 determining which users may participate in programs established by
5 the office [~~department~~] under this subchapter. The office
6 [~~department~~] shall adopt collateral or security requirements to
7 ensure the full repayment of any loan, lease, or installment sale
8 and the solvency of any program implemented under this subchapter.
9 The executive director [~~governing board~~] must approve all leases
10 and sale and loan agreements made under this subchapter [~~except~~
11 ~~that the governing board may delegate this approval authority to~~
12 ~~the executive director~~].

13 (b) Users participating in the programs established under
14 this subchapter shall pay the costs of applying for, participating
15 in, and administering and servicing the program in amounts that the
16 office [~~department~~] considers reasonable and necessary.

17 SECTION 1.28. Section 481.121(2), Government Code, is
18 amended to read as follows:

19 (2) "Permit office [~~Office~~]" means the Texas Economic
20 Development Office's [~~department's~~] business permit office.

21 SECTION 1.29. Section 481.122, Government Code, is amended
22 to read as follows:

23 Sec. 481.122. CREATION. The business permit office is an
24 office within the Texas Economic Development Office [~~department~~].

25 SECTION 1.30. Section 481.123, Government Code, is amended
26 to read as follows:

27 Sec. 481.123. DUTIES. The permit office shall:

1 (1) provide comprehensive information on permits
2 required for business enterprises in the state and make that
3 information available to applicants and other persons;

4 (2) assist applicants in obtaining timely and
5 efficient permit review and in resolving issues arising from the
6 review;

7 (3) facilitate contacts between applicants and state
8 agencies responsible for processing and reviewing permit
9 applications;

10 (4) assist applicants in the resolution of outstanding
11 issues identified by state agencies, including delays experienced
12 in permit review;

13 (5) develop comprehensive application procedures to
14 expedite the permit process;

15 (6) compile a comprehensive list of all permits
16 required of a person desiring to establish, operate, or expand a
17 business enterprise in the state;

18 (7) encourage and facilitate the participation of
19 federal and local government agencies in permit coordination;

20 (8) make recommendations for eliminating,
21 consolidating, simplifying, expediting, or otherwise improving
22 permit procedures affecting business enterprises by requesting
23 that the state auditor, with the advice and support of the permit
24 office, initiate a business permit reengineering review process
25 involving all state agencies;

26 (9) develop and implement an outreach program to
27 publicize and make small business entrepreneurs and others aware of

1 services provided by the permit office;

2 (10) adopt rules, procedures, instructions, and forms
3 required to carry out the functions, powers, and duties of the
4 permit office under this subchapter; and

5 (11) except as provided in Section 481.129, complete
6 the implementation of the business permit review process on or
7 before September 1, 1994, and provide all recommended statutory
8 changes as needed to the legislature on or before January 1, 1995.

9 SECTION 1.31. Sections 481.124(a), (b), (c), (d), (f), and
10 (h), Government Code, are amended to read as follows:

11 (a) The permit office shall develop and by rule implement a
12 comprehensive application procedure to expedite the identification
13 and processing of required permits. The permit office shall
14 specify the permits to which the comprehensive application
15 procedure applies. A comprehensive application must be made on a
16 form prescribed by the permit office. The permit office shall
17 consult with affected agencies in designing the form to ensure that
18 the form provides the necessary information to allow agencies to
19 identify which permits may be needed by the applicant. The form
20 must be designed primarily for the convenience of an applicant who
21 is required to obtain multiple permits and must provide for concise
22 and specific information necessary to determine which permits are
23 or may be required of the particular applicant.

24 (b) Use of the comprehensive application procedure by the
25 applicant is optional. On request the permit office shall assist an
26 applicant in preparing a comprehensive application, describe the
27 procedures involved, and provide other appropriate information

1 from the comprehensive permit information file.

2 (c) On receipt of a comprehensive application from an
3 applicant, the permit office shall immediately notify in writing
4 each state agency having a possible interest in the proposed
5 business undertaking, project, or activity with respect to permits
6 that are or may be required.

7 (d) Not later than the 25th day after the date of receipt of
8 the notice, the state agency shall specify to the permit office each
9 permit under its jurisdiction that is or may be required for the
10 business undertaking, project, or activity described in the
11 comprehensive application and shall indicate each permit fee to be
12 charged.

13 (f) The permit office shall promptly provide the applicant
14 with application forms and related information for all permits
15 specified by the interested state agencies and shall advise the
16 applicant that the forms are to be completed and submitted to the
17 appropriate state agencies.

18 (h) Each state agency having jurisdiction over a permit to
19 which the comprehensive application procedure applies shall
20 designate an officer or employee to act as permit liaison officer to
21 cooperate with the permit office in carrying out this subchapter.

22 SECTION 1.32. Sections 481.125(a), (b), (d), and (e),
23 Government Code, are amended to read as follows:

24 (a) The permit office shall compile a comprehensive list of
25 all state permits required of a person desiring to operate a
26 business enterprise in the state.

27 (b) To the extent possible, the permit office shall organize

1 the list according to the types of businesses affected and shall
2 publish the list in a comprehensive permit handbook.

3 (d) The permit office shall periodically update the
4 handbook.

5 (e) The permit office shall make the handbook available to
6 persons interested in establishing a business enterprise, public
7 libraries, educational institutions, and the state agencies listed
8 in the handbook.

9 SECTION 1.33. Section 481.126, Government Code, is amended
10 to read as follows:

11 Sec. 481.126. ASSISTANCE OF OTHER STATE AGENCIES. Each
12 state agency, on request of the permit office, shall provide
13 assistance, services, facilities, and data to enable the permit
14 office to carry out its duties. An agency is not required to
15 provide information made confidential by a constitution, statute,
16 or judicial decision.

17 SECTION 1.34. Sections 481.127(a), (c), and (d), Government
18 Code, are amended to read as follows:

19 (a) Each state agency required to review, approve, or grant
20 permits for business undertakings, projects, or activities shall
21 report to the permit office in a form prescribed by the permit
22 office on each type of review, approval, or permit administered by
23 the agency.

24 (c) The permit office shall prepare an information file on
25 state agency permit requirements and shall develop methods for
26 maintenance, revision, update, and ready access. The permit office
27 shall provide comprehensive permit information based on that file.

1 (d) The permit office may prepare and distribute
2 publications, guides, and other materials to serve the convenience
3 of permit applicants and explain permit requirements affecting
4 business, including requirements involving multiple permits or
5 regulation by more than one state agency.

6 SECTION 1.35. Section 481.128, Government Code, is amended
7 to read as follows:

8 Sec. 481.128. NO CHARGES FOR SERVICES. The permit office
9 shall provide its services without charge.

10 SECTION 1.36. Section 481.129, Government Code, is amended
11 to read as follows:

12 Sec. 481.129. ENVIRONMENTAL PERMITS. The permit office
13 shall consult and cooperate with the Natural Resource Conservation
14 Commission in conducting any studies on permits issued by the
15 Natural Resource Conservation Commission. The Natural Resource
16 Conservation Commission shall cooperate fully in the study and
17 analysis of the procedures involving the issuance of permits by
18 that commission and shall, in any report issued, evaluate all
19 alternatives for improving the process pursuant to the permit
20 office's responsibilities under Section 481.123. The permit office
21 and the Natural Resource Conservation Commission shall jointly
22 submit any report required under Section 481.123.

23 SECTION 1.37. Sections 481.167(a), (d), and (e), Government
24 Code, are amended to read as follows:

25 (a) The office [~~department~~] shall establish the Texas
26 Business and Community Economic Development Clearinghouse to
27 provide information and assistance to businesses and communities in

1 the state through the use of a statewide toll-free telephone
2 service.

3 (d) The office [~~department~~] shall obtain from other state
4 agencies appropriate information needed by the office [~~department~~]
5 to carry out its duties under this subchapter.

6 (e) The comptroller shall assist the office [~~department~~] in
7 furthering the purposes of this subchapter by allowing the office
8 [~~department~~] to use the field offices and personnel of the
9 comptroller to disseminate brochures, documents, and other
10 information useful to businesses in the state.

11 SECTION 1.38. Section 481.172, Government Code, is amended
12 to read as follows:

13 Sec. 481.172. DUTIES. The office [~~department~~] shall:

14 (1) promote and advertise within the United States and
15 in foreign countries, by radio, television, newspaper, the
16 Internet, and other means considered appropriate, tourism in this
17 state by non-Texans, including persons from foreign countries, and
18 distribute promotional materials through appropriate distribution
19 channels;

20 (2) represent the state in domestic and international
21 travel trade shows, trade missions, and seminars;

22 (3) encourage travel by Texans to this state's scenic,
23 historical, natural, agricultural, educational, recreational, and
24 other attractions;

25 (4) conduct a public relations campaign to create a
26 responsible and accurate national and international image of this
27 state;

1 (5) use current market research to develop a tourism
2 marketing plan to increase travel to the state by domestic and
3 international visitors;

4 (6) develop methods to attract tourist attractions to
5 the state;

6 (7) assist communities to develop tourist
7 attractions; ~~and~~

8 (8) cooperate fully with the Parks and Wildlife
9 Department, the Texas Department of Transportation, the Texas
10 Historical Commission, and the Texas Commission on the Arts in all
11 matters relating to promotion of tourism; and

12 (9) ~~(8)~~ promote and encourage the horse racing and
13 greyhound racing industry, if funds are appropriated for the
14 promotion or encouragement.

15 SECTION 1.39. Section 481.174, Government Code, is amended
16 to read as follows:

17 Sec. 481.174. ADVERTISEMENTS IN TOURISM PROMOTIONS. (a)
18 The office ~~[department]~~ may sell advertisements in travel
19 promotions in any medium.

20 (b) The executive director ~~[governing board]~~ shall adopt
21 rules to implement the sale of advertisements under Subsection (a),
22 including rules regulating:

23 (1) the cost of advertisements;

24 (2) the type of products or services that may be
25 advertised;

26 (3) the size of advertisements; and

27 (4) refunds on advertisements that are not run.

1 (c) Proceeds from the sale of advertisements shall be
2 deposited in the special account in the general revenue fund that
3 may be used for advertising and marketing activities of the office
4 [~~department~~] as provided by Section 156.251, Tax Code.

5 (d) The office is not required to follow the purchasing
6 goals and procedures prescribed by Section 2161.181 and Subchapter
7 F, Chapter 2161, for purchases made in connection with out-of-state
8 tourism advertising, including advertising placement services.

9 SECTION 1.40. Sections 481.193(a), (b), (d), (e), (f), and
10 (h), Government Code, are amended to read as follows:

11 (a) The office [~~department~~] shall establish a linked
12 deposit program to encourage commercial lending for the development
13 of:

- 14 (1) small businesses in enterprise zones;
- 15 (2) historically underutilized businesses;
- 16 (3) child-care services provided by and activities
17 engaged in this state by nonprofit organizations; and
- 18 (4) quality, affordable child-care services in this
19 state.

20 (b) The executive director [~~policy board~~] shall adopt rules
21 for the loan portion of the linked deposit program.

22 (d) After reviewing an application and determining that the
23 applicant is an eligible borrower and is creditworthy, the eligible
24 lending institution shall send the application for a linked deposit
25 loan to the office [~~department~~].

26 (e) The eligible lending institution shall certify the
27 interest rate applicable to the specific eligible borrower and

1 attach it to the application sent to the office [~~department~~].

2 (f) After reviewing each linked deposit loan application,
3 the executive director [~~of the department~~] shall recommend to the
4 comptroller the acceptance or rejection of the application.

5 (h) Before the placing of a linked deposit, the eligible
6 lending institution and the state, represented by the comptroller
7 and the office [~~department~~], shall enter into a written deposit
8 agreement containing the conditions on which the linked deposit is
9 made. The deposit agreement must provide that:

10 (1) the lending institution notify the comptroller if
11 the borrower to which the deposit is linked defaults on the loan;
12 and

13 (2) in the event of a default the comptroller may
14 withdraw the linked deposit.

15 SECTION 1.41. Section 481.194, Government Code, is amended
16 to read as follows:

17 Sec. 481.194. COMPLIANCE. (a) On acceptance of its
18 application to receive linked deposits, an eligible lending
19 institution shall loan money to an eligible borrower in accordance
20 with the deposit agreement and this subchapter. The eligible
21 lending institution shall forward a compliance report to the office
22 [~~department~~].

23 (b) The office [~~department~~] shall monitor compliance with
24 this subchapter and inform the comptroller of noncompliance on the
25 part of an eligible lending institution.

26 SECTION 1.42. Section 481.198, Government Code, is amended
27 to read as follows:

1 Sec. 481.198. MARKETING. (a) The office [~~department~~] shall
2 promote the linked deposit program established by this subchapter
3 to eligible borrowers and financial institutions that make
4 commercial loans and are depositories of state funds.

5 (b) Not later than January 1 of each odd-numbered year, the
6 office [~~department~~] shall prepare and deliver to the governor,
7 lieutenant governor, speaker of the house of representatives, and
8 clerks of the standing committees of the senate and house of
9 representatives with primary jurisdiction over commerce and
10 economic development a report concerning the office's
11 [~~department's~~] efforts in promoting the linked deposit program
12 during the preceding two years.

13 SECTION 1.43. Section 481.211, Government Code, is amended
14 to read as follows:

15 Sec. 481.211. POWERS AND DUTIES. The office [~~department~~]
16 shall:

17 (1) compile and update demographic and economic
18 information on the state;

19 (2) develop and update information products for local
20 communities on community economic development issues and practices
21 that encourage regional cooperation; and

22 (3) compile and disseminate information on economic
23 and industrial development trends and issues, including NAFTA,
24 emerging industries, and patterns of international trade and
25 investment.

26 SECTION 1.44. Section 481.212, Government Code, is amended
27 to read as follows:

1 Sec. 481.212. COMPILATION AND DISTRIBUTION OF DATA AND
2 RESEARCH. (a) To serve as a one-stop center for business-related
3 information, the office [~~department~~] shall obtain from other state
4 agencies and organizations, including the comptroller and the Texas
5 Workforce Commission, business-related statistics and data.

6 (b) To maximize the accessibility of business-related data,
7 the office [~~department~~] shall create a web site to publish
8 business-related information on the Internet. The web site must
9 provide connections to other business-related web sites.

10 (c) The office [~~department~~] may charge a reasonable access
11 fee in connection with this subchapter.

12 SECTION 1.45. Section 481.401(9), Government Code, is
13 amended to read as follows:

14 (9) "Reserve account" means an account established in
15 a participating financial institution on approval of the office
16 [~~department~~] in which money is deposited to serve as a source of
17 additional revenue to reimburse the financial institution for
18 losses on loans enrolled in the program.

19 SECTION 1.46. Section 481.402(c), Government Code, is
20 amended to read as follows:

21 (c) Money in the fund may be appropriated only to the office
22 [~~department~~] for use in carrying out the purposes of this
23 subchapter.

24 SECTION 1.47. Section 481.404, Government Code, is amended
25 to read as follows:

26 Sec. 481.404. POWERS OF OFFICE [~~DEPARTMENT~~] IN
27 ADMINISTERING CAPITAL ACCESS FUND. In administering the fund, the

1 office [~~department~~] has the powers necessary to carry out the
2 purposes of this subchapter, including the power to:

3 (1) make, execute, and deliver contracts,
4 conveyances, and other instruments necessary to the exercise of its
5 powers;

6 (2) invest money at the office's [~~department's~~]
7 discretion in obligations determined proper by the office
8 [~~department~~], and select and use depositories for its money;

9 (3) employ personnel and counsel and pay the persons
10 from money in the fund legally available for that purpose; and

11 (4) impose and collect fees and charges in connection
12 with any transaction and provide for reasonable penalties for
13 delinquent payment of fees or charges.

14 SECTION 1.48. Sections 481.405(a)-(d), Government Code,
15 are amended to read as follows:

16 (a) The office [~~department~~] shall establish a capital
17 access program to assist a participating financial institution in
18 making loans to businesses and nonprofit organizations that face
19 barriers in accessing capital.

20 (b) The office [~~department~~] shall use money in the fund to
21 make a deposit in a participating financial institution's reserve
22 account in an amount specified by this subchapter to be a source of
23 money the institution may receive as reimbursement for losses
24 attributable to loans in the program.

25 (c) The office [~~department~~] shall determine the eligibility
26 of a financial institution to participate in the program and may set
27 a limit on the number of eligible financial institutions that may

1 participate in the program.

2 (d) To participate in the program, an eligible financial
3 institution must enter into a participation agreement with the
4 office [~~department~~] that sets out the terms and conditions under
5 which the office [~~department~~] will make contributions to the
6 institution's reserve account and specifies the criteria for a loan
7 to qualify as a capital access loan.

8 SECTION 1.49. Section 481.406(a), Government Code, is
9 amended to read as follows:

10 (a) The executive director [~~policy board~~] shall adopt rules
11 relating to the implementation of the program and any other rules
12 necessary to accomplish the purposes of this subchapter. The rules
13 may:

14 (1) provide for criteria under which a certain line of
15 credit issued by an eligible financial institution to a small or
16 medium-sized business or nonprofit organization qualifies to
17 participate in the program; and

18 (2) authorize a consortium of financial institutions
19 to participate in the program subject to common underwriting
20 guidelines.

21 SECTION 1.50. Sections 481.407(a) and (d), Government Code,
22 are amended to read as follows:

23 (a) Except as otherwise provided by this subchapter, the
24 office [~~department~~] may not determine the recipient, amount, or
25 interest rate of a capital access loan or the fees or other
26 requirements related to the loan.

27 (d) A capital access loan may be sold on the secondary

1 market under conditions as may be determined by the office
2 [~~department~~].

3 SECTION 1.51. Sections 481.408(a), (c), and (d), Government
4 Code, are amended to read as follows:

5 (a) On approval by the office [~~department~~] and after
6 entering into a participation agreement with the office
7 [~~department~~], a participating financial institution making a
8 capital access loan shall establish a reserve account. The reserve
9 account shall be used by the institution only to cover any losses
10 arising from a default of a capital access loan made by the
11 institution under this subchapter or as otherwise provided by this
12 subchapter.

13 (c) For each capital access loan made by a financial
14 institution, the institution shall certify to the office
15 [~~department~~], within the period prescribed by the office
16 [~~department~~], that the institution has made a capital access loan,
17 the amount the institution has deposited in the reserve account,
18 including the amount of fees received from the borrower, and, if
19 applicable, that the borrower is located in or financing a project,
20 activity, or enterprise in an area designated as an enterprise zone
21 under Chapter 2303.

22 (d) On receipt of a certification made under Subsection (c)
23 and subject to Section 481.409, the office [~~department~~] shall
24 deposit in the institution's reserve account for each capital
25 access loan made by the institution:

26 (1) an amount equal to the amount deposited by the
27 institution for each loan if the institution:

1 (A) has assets of more than \$1 billion; or

2 (B) has previously enrolled loans in the program
3 that in the aggregate are more than \$2 million;

4 (2) an amount equal to 150 percent of the total amount
5 deposited under Subsection (b) for each loan if the institution is
6 not described by Subdivision (1); or

7 (3) notwithstanding Subdivisions (1) and (2), an
8 amount equal to 200 percent of the total amount deposited under
9 Subsection (b) for each loan if:

10 (A) the borrower is located in or financing a
11 project, activity, or enterprise in an area designated as an
12 enterprise zone under Chapter 2303; or

13 (B) the borrower is a small or medium-size
14 business or a nonprofit organization that operates or proposes to
15 operate a day-care center or a group day-care home, as those terms
16 are defined by Section 42.002, Human Resources Code.

17 SECTION 1.52. Section 481.409, Government Code, is amended
18 to read as follows:

19 Sec. 481.409. LIMITATIONS ON STATE CONTRIBUTION TO RESERVE
20 ACCOUNT. (a) The amount deposited by the office [~~department~~] into
21 a participating financial institution's reserve account for any
22 single loan recipient may not exceed \$150,000 during a three-year
23 period.

24 (b) The maximum amount the office [~~department~~] may deposit
25 into a reserve account for each capital access loan made under this
26 subchapter is the lesser of \$35,000 or an amount equal to:

27 (1) eight percent of the loan amount if:

1 (A) the borrower is located in or financing a
2 project, activity, or enterprise in an area designated as an
3 enterprise zone under Chapter 2303; or

4 (B) the borrower is a small or medium-size
5 business or a nonprofit organization that operates or proposes to
6 operate a day-care center or a group day-care home, as those terms
7 are defined by Section 42.002, Human Resources Code; or

8 (2) six percent of the loan amount for any other
9 borrower.

10 SECTION 1.53. Sections 481.410(b)-(d), Government Code,
11 are amended to read as follows:

12 (b) The state is entitled to earn interest on the amount of
13 contributions made by the office [~~department~~], borrower, and
14 institution to a reserve account under this subchapter. The office
15 [~~department~~] shall withdraw monthly or quarterly from a reserve
16 account the amount of the interest earned by the state. The office
17 [~~department~~] shall deposit the amount withdrawn under this
18 subsection into the fund.

19 (c) If the amount in a reserve account exceeds an amount
20 equal to 33 percent of the balance of the financial institution's
21 outstanding capital access loans, the office [~~department~~] may
22 withdraw the excess amount and deposit the amount in the fund. A
23 withdrawal of money authorized under this subsection may not reduce
24 an active reserve account to an amount that is less than \$200,000.

25 (d) The office [~~department~~] shall withdraw from the
26 institution's reserve account the total amount in the account and
27 any interest earned on the account and deposit the amount in the

1 fund when:

2 (1) a financial institution is no longer eligible to
3 participate in the program or a participation agreement entered
4 into under this subchapter expires without renewal by the office
5 [~~department~~] or institution;

6 (2) the financial institution has no outstanding
7 capital access loans; and

8 (3) the financial institution has not made a capital
9 access loan within the preceding 24 months.

10 SECTION 1.54. Section 481.411, Government Code, is amended
11 to read as follows:

12 Sec. 481.411. ANNUAL REPORT. A participating financial
13 institution shall submit an annual report to the office
14 [~~department~~]. The report must:

15 (1) provide information regarding outstanding capital
16 access loans, capital access loan losses, and any other information
17 on capital access loans the office [~~department~~] considers
18 appropriate;

19 (2) state the total amount of loans for which the
20 department has made a contribution from the fund under this
21 subchapter;

22 (3) include a copy of the institution's most recent
23 financial statement; and

24 (4) include information regarding the type and size of
25 businesses and nonprofit organizations with capital access loans.

26 SECTION 1.55. Section 481.412(a), Government Code, is
27 amended to read as follows:

1 (a) The office [~~department~~] shall submit to the legislature
2 an annual status report on the program's activities.

3 SECTION 1.56. Section 481.414, Government Code, is amended
4 to read as follows:

5 Sec. 481.414. GIFTS AND GRANTS. The office [~~department~~]
6 may accept gifts, grants, and donations from any source for the
7 purposes of this subchapter.

8 SECTION 1.57. Sections 4(b) and (d), Development
9 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
10 Statutes), are amended to read as follows:

11 (b) There is hereby created the Texas Small Business
12 Industrial Development Corporation which shall act on behalf of the
13 state to carry out the public purposes of this Act. The Texas Small
14 Business Industrial Development Corporation shall be considered to
15 be a corporation within the meaning of this Act, shall be organized
16 and governed in accordance with the provisions of this Act, and
17 shall have all of the powers, and shall be subject to all of the
18 limitations, provided for corporations by this Act, except as
19 otherwise provided by this section. For purposes of this Act, the
20 state shall be considered to be the unit under whose auspices the
21 Texas Small Business Industrial Development Corporation is created
22 [~~and the department shall be considered to be the governing body~~].

23 To the extent that the provisions of this section are inconsistent
24 with other provisions of this Act, the provisions of this section
25 shall control as to the existence, powers, limitations,
26 organization, administration, operation, and affairs of the Texas
27 Small Business Industrial Development Corporation.

1 (d) The governor shall appoint [~~members of the board of the~~
2 ~~department shall serve ex officio as~~] the board of directors of the
3 Texas Small Business Industrial Development Corporation. The
4 governor or the governor's designee and the executive director of
5 the Texas Economic Development Office serve as nonvoting ex officio
6 members of the board.

7 SECTION 1.58. (a) The Texas Department of Economic
8 Development is abolished and the offices of the members of the
9 governing board of the department serving on the effective date of
10 this Act are abolished.

11 (b) The validity of an action taken by the Texas Department
12 of Economic Development or its governing board before it is
13 abolished under Subsection (a) of this section is not affected by
14 the abolishment.

15 SECTION 1.59. On September 1, 2003:

16 (1) a rule, standard, or form adopted by the Texas
17 Department of Economic Development or the department's governing
18 board is a rule, standard, or form of the Texas Economic Development
19 Office and remains in effect until changed by the executive
20 director of the office;

21 (2) a reference in law to the Texas Department of
22 Economic Development or its governing board means the Texas
23 Economic Development Office;

24 (3) a proceeding involving the Texas Department of
25 Economic Development is transferred without change in status to the
26 Texas Economic Development Office, and the Texas Economic
27 Development Office assumes, without a change in status, the

1 position of the Texas Department of Economic Development in a
2 proceeding to which the Texas Department of Economic Development is
3 a party;

4 (4) all money, contracts, leases, rights, and
5 obligations of the Texas Department of Economic Development are
6 transferred to the Texas Economic Development Office;

7 (5) all property, including records, in the custody of
8 the Texas Department of Economic Development becomes the property
9 of the Texas Economic Development Office; and

10 (6) all funds appropriated by the legislature to the
11 Texas Department of Economic Development are transferred to the
12 Texas Economic Development Office.

13 SECTION 1.60. (a) The executive director of the Texas
14 Department of Economic Development serving on the effective date of
15 this Act does not automatically become the executive director of
16 the Texas Economic Development Office. To become the executive
17 director of the Texas Economic Development Office, a person must
18 apply for the position and the person's employment in that capacity
19 must be approved by the governor.

20 (b) An employee of the Texas Department of Economic
21 Development employed on the effective date of this Act does not
22 automatically become an employee of the Texas Economic Development
23 Office. To become an employee of the Texas Economic Development
24 Office, a person must apply for a position at the Texas Economic
25 Development Office and the person's employment in that capacity
26 must be approved by the governor or the executive director of the
27 office.

1 SECTION 1.61. A function or activity performed by the Texas
2 Department of Economic Development is transferred to the Texas
3 Economic Development Office as provided by this Act.

4 SECTION 1.62. The Texas Department of Economic Development
5 or the Texas Economic Development Office, as applicable, shall
6 establish a transition plan for the transfer described in Section
7 1.59 of this Act. The plan must include a reasonable timetable for
8 the effective reconstruction of the department's mission,
9 strategies, performance measures, functions, and staff, as they
10 relate to key economic clusters in this state.

11 SECTION 1.63. The following laws are repealed:

12 (1) Chapter 146, Education Code;

13 (2) Sections 481.001(1), (3), and (4), 481.004,
14 481.0041, 481.0043, 481.0044, 481.005(b), 481.006, 481.0068,
15 481.007, 481.010(c), 481.0231, 481.028, 481.041, 481.045, 481.059,
16 481.071, 481.073(a) and (b), 481.077, 481.084, 481.087, 481.1665,
17 481.168, 481.171, 481.201, and 481.403, Government Code;

18 (3) Subchapters G and CC, Chapter 481, Government
19 Code;

20 (4) Chapter 484, Government Code; and

21 (5) Section 39, Development Corporation Act of 1979
22 (Article 5190.6, Vernon's Texas Civil Statutes).

23 ARTICLE 2. CONSOLIDATION OF TOURISM FUNCTIONS

24 SECTION 2.01. Chapter 12, Agriculture Code, is amended by
25 adding Section 12.039 to read as follows:

26 Sec. 12.039. TOURISM-RELATED ACTIVITIES PROHIBITED.

27 Notwithstanding any other provision of this chapter, the department

1 may not promote tourism, conduct activities related to tourism, or
2 make expenditures related to tourism.

3 SECTION 2.02. Subchapter B, Chapter 86, Education Code, is
4 amended by adding Section 86.025 to read as follows:

5 Sec. 86.025. TOURISM-RELATED ACTIVITIES PROHIBITED. (a)
6 Notwithstanding any other provision of this chapter, the board or
7 the university may not promote tourism, conduct activities related
8 to tourism, or make expenditures related to tourism.

9 (b) The section does not prohibit the board or the
10 university from promoting the university or attracting visitors to
11 the university.

12 SECTION 2.03. Subchapter A, Chapter 88, Education Code, is
13 amended by adding Section 88.003 to read as follows:

14 Sec. 88.003. TOURISM-RELATED ACTIVITIES PROHIBITED.
15 Notwithstanding any other provision of this chapter, an agency or
16 service of The Texas A&M University System may not promote tourism,
17 conduct activities related to tourism, or make expenditures related
18 to tourism.

19 SECTION 2.04. Subchapter A, Chapter 411, Government Code,
20 is amended by adding Section 411.0203 to read as follows:

21 Sec. 411.0203. TOURISM-RELATED ACTIVITIES PROHIBITED.
22 Notwithstanding any other provision of this chapter, the department
23 may not promote tourism, conduct activities related to tourism, or
24 make expenditures related to tourism.

25 SECTION 2.05. Chapter 443, Government Code, is amended by
26 adding Section 443.029 to read as follows:

27 Sec. 443.029. TOURISM-RELATED ACTIVITIES PROHIBITED.

1 Notwithstanding any other provision of this chapter, the board may
2 not promote tourism, conduct activities related to tourism, or make
3 expenditures related to tourism.

4 SECTION 2.06. Chapter 455, Government Code, is amended by
5 adding Section 445.014 to read as follows:

6 Sec. 445.014. TOURISM-RELATED ACTIVITIES PROHIBITED. (a)
7 Notwithstanding any other provision of this chapter, the museum or
8 the State Preservation Board may not promote tourism, conduct
9 activities related to tourism, or make expenditures related to
10 tourism.

11 (b) The section does not prohibit the museum or the State
12 Preservation Board from promoting the museum or attracting visitors
13 to the museum.

14 SECTION 2.07. Chapter 485, Government Code, is amended by
15 adding Section 485.008 to read as follows:

16 Sec. 485.008. TOURISM-RELATED ACTIVITIES PROHIBITED.
17 Notwithstanding any other provision of this chapter, the office may
18 not promote tourism, conduct activities related to tourism, or make
19 expenditures related to tourism.

20 SECTION 2.08. Subchapter C, Chapter 31, Natural Resources
21 Code, is amended by adding Section 31.069 to read as follows:

22 Sec. 31.069. TOURISM-RELATED ACTIVITIES PROHIBITED.
23 Notwithstanding any other provision of this chapter, the land
24 office may not promote tourism, conduct activities related to
25 tourism, or make expenditures related to tourism.

26 SECTION 2.09. (a) On September 1, 2003:

27 (1) all functions performed by the Department of

1 Agriculture, Texas A&M University, The Texas A&M University System,
2 the Department of Public Safety of the State of Texas, the State
3 Preservation Board, the Music, Film, Television, and Multimedia
4 Office, and the General Land Office relating to tourism are
5 transferred to the Texas Economic Development Office, the Texas
6 Department of Transportation, the Parks and Wildlife Department,
7 the Texas Historical Commission, or the Texas Commission on the
8 Arts; and

9 (2) all employees of the Department of Agriculture,
10 Texas A&M University, The Texas A&M University System, the
11 Department of Public Safety of the State of Texas, the State
12 Preservation Board, the Music, Film, Television, and Multimedia
13 Office, and the General Land Office that primarily perform
14 functions relating to tourism are transferred to the Texas Economic
15 Development Office, the Texas Department of Transportation, the
16 Parks and Wildlife Department, the Texas Historical Commission, or
17 the Texas Commission on the Arts.

18 (b) The governor shall determine the manner in which the
19 functions and employees are transferred under Subsection (a) of
20 this section.

21 ARTICLE 3. EFFECTIVE DATE

22 SECTION 3.01. This Act takes effect September 1, 2003.