

## **BILL ANALYSIS**

H.B. 3063  
By: Menéndez  
Defense & Veterans' Affairs  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Interested parties note that current law requires a defense base development authority to undergo a process for establishing reinvestment zones, which includes notices and hearings, and takes valuable time. Until recently, such a process was unnecessary because a defense base development authority automatically qualified for designation as a reinvestment zone under a provision in state law that applied to federally designated empowerment zones. However, recent changes in federal law may result in such authorities no longer automatically qualifying as reinvestment zones under the program. Such parties assert that automatically designating defense base development authorities as an enterprise zone provides sales tax incentives for job creation and capital investment in distressed areas of the state.

H.B. 3063 seeks to continue allowing defense base development authorities to be an effective tool for economic development by adding the land within an authority's boundaries to the list of areas that automatically qualify as an enterprise zone for purposes of the enterprise zone program.

### **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. 3063 amends the Local Government Code to establish that an area inside the boundaries of a defense base development authority automatically qualifies as an enterprise zone for purposes of the Texas Enterprise Zone Act.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.