SENATE AMENDMENTS

2nd Printing

By: Murphy H.B. No. 1982

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the enterprise zone program.
3	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
4	SECTION 1. Section 2303.004, Government Code, is amended by
5	amending Subsection (b) and adding Subsection (c) to read as
6	follows:
7	(b) Notwithstanding Subsection (a), the governing body of a
8	county [with a population of one million or more] may nominate for
9	designation as an enterprise project a project or activity of a
10	qualified business that is located within the jurisdiction of a
11	municipality located in the county. [For purposes of this
12	subsection, a county during any biennium may not use in any one
13	municipality more than three of the maximum number of designations
14	the county is permitted under Section 2303.406(d)(2).
15	(c) Before a county makes a nomination under Subsection (b),
16	the nominating county must enter into an interlocal agreement with
17	the municipality that has jurisdiction of the territory in which
18	the nominated project or activity will be located. The interlocal
19	agreement must specify that either the nominating county or the
20	municipality that has jurisdiction of the territory in which the
21	nominated project or activity will be located is the governmental
22	body having administration authority under Section 2303.201 and
23	that both the nominating county and municipality approve the

24

nomination. For purposes of this subsection, a county during any

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- 1 biennium may use the maximum number of designations the county is
- 2 permitted under Section 2303.406(d) within the territory described
- 3 by this subsection.
- 4 SECTION 2. Section 2303.201, Government Code, is amended to
- 5 read as follows:
- 6 Sec. 2303.201. ADMINISTRATION BY GOVERNING BODY. (a) The
- 7 governing body of an enterprise zone is the governing body of the
- 8 municipality or county with jurisdiction over the area designated
- 9 as an enterprise zone, except as provided by Subsection (b).
- 10 (b) The governing body with administration authority over
- 11 an enterprise project nominated under Section 2303.004(c) is
- 12 determined under the terms of an interlocal agreement required by
- 13 that subsection.
- 14 SECTION 3. Section 2303.4052, Government Code, is amended
- 15 to read as follows:
- 16 Sec. 2303.4052. REQUIRED INFORMATION FROM NOMINATING BODY.
- 17 Before nominating the project or activity of a qualified business
- 18 for designation as an enterprise project, the nominating body must
- 19 submit to the bank:
- 20 (1) a certified copy of the ordinance or order, as
- 21 appropriate, or reference to an ordinance or order as required
- 22 by Section 2303.4051;
- 23 (2) a transcript of all public hearings conducted with
- 24 respect to local incentives available to qualified businesses
- 25 within the jurisdiction of the governmental entity nominating the
- 26 project or activity, regardless of whether those businesses are
- 27 located in an enterprise zone;

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- 1 (3) the name, title, address, telephone number, and
- 2 electronic mail address of the nominating body's liaison designated
- 3 under Section 2303.204;
- 4 (4) if the business is seeking job retention benefits,
- 5 documentation showing the number of employment positions at the
- 6 qualified business site; [and]
- 7 (5) any interlocal agreement required under Section
- 8 2303.004(c) that states:
- 9 (A) which governing body has the administration
- 10 <u>authority under Section 2303.201; and</u>
- 11 (B) that both the county in which the project or
- 12 <u>activity is located and the municipality in whose jurisdiction the</u>
- 13 project or activity is located approve the nomination of the
- 14 project or activity; and
- 15 (6) any additional information the bank may require.
- SECTION 4. Section 2303.406, Government Code, is amended by
- 17 adding Subsection (d-1) to read as follows:
- 18 (d-1) An enterprise project designation may be split into
- 19 two half designations. A half designation uses one-half of one of
- 20 the enterprise project designations allowed to a nominating body
- 21 under Subsection (d) and to the bank under Section 2303.403.
- SECTION 5. Section 2303.407, Government Code, is amended by
- 23 adding Subsection (e) to read as follows:
- 24 (e) The maximum number of jobs that the bank may allocate to
- 25 an enterprise project split into two half designations as provided
- 26 by Section 2303.406(d-1) is 250.
- 27 SECTION 6. Section 2303.4071, Government Code, is amended

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- 1 by amending Subsection (a) and adding Subsection (e) to read as
- 2 follows:
- 3 (a) In this section:
- 4 (1) "Double [,"double] jumbo enterprise project" and
- 5 "triple jumbo enterprise project" have the meanings assigned by
- 6 Section 2303.407.
- 7 (2) "Half enterprise project" means an enterprise
- 8 project split into two half designations as provided by Section
- 9 2303.406(d-1).
- 10 <u>(e) A half enterprise project is eligible for a maximum</u>
- 11 refund not to exceed \$125,000 in each state fiscal year and is
- 12 <u>subject to the capital investment and job allocation requirements</u>
- 13 under Section 2303.407(b)(1), (2), or (3).
- 14 SECTION 7. This Act takes effect immediately if it receives
- 15 a vote of two-thirds of all the members elected to each house, as
- 16 provided by Section 39, Article III, Texas Constitution. If this
- 17 Act does not receive the vote necessary for immediate effect, this
- 18 Act takes effect September 1, 2013.

ADOPTED

MAY 1 5 2013

Secretary of the Senate

FLOOR AMENDMENT NO.

- J. Hing-

- Amend H.B. No. 1982 (Senate committee printing) as follows:
- 2 (1) In SECTION 3 of the bill, in amended Section
- 3 2303.4052(2), Government Code (page 2, line 1), strike "transcript"
- 4 and substitute "certified copy of the minutes [transcript]".
- 5 (2) In the recital to SECTION 4 of the bill (page 2, line
- 6 22), immediately before "adding Subsection (d-1)", add "amending
- 7 Subsections (b) and (e) and".
- 8 (3) In SECTION 4 of the bill, immediately before added
- 9 Section 2303.406(d-1), Government Code (page 2, between lines 22
- 10 and 23), insert the following:
- 11 (b) [This subsection does not apply to a qualified business
- 12 located in a federally designated zone, as described by Section
- 13 2303.101(2), which will receive priority designation in allocating
- 14 the number of enterprise projects allowed statewide per biennium as
- 15 provided by Section 2303.403. The bank shall designate qualified
- 16 businesses as enterprise projects on a competitive basis. The bank
- 17 shall make its designation decisions using a weighted scale in
- 18 which:
- (1) 40 percent of the evaluation depends on the
- 20 economic distress of the block group or distressed county in which a
- 21 proposed enterprise project is located;
- (2) 25 percent of the evaluation depends on the local
- 23 effort to achieve development and revitalization of the block group
- 24 or distressed county in which a proposed enterprise project is
- 25 located; and
- 26 (3) 35 percent of the evaluation depends on the
- 27 evaluation criteria as determined by the bank, which must include:
- (A) with respect to a proposed enterprise project
- 29 located in a block group, the level of cooperation and support the

- 1 project applicant commits to the revitalization goals of all of the
- 2 enterprise zone block groups within the jurisdiction of the
- 3 nominating governmental entity;
- 4 (B) with respect to a proposed enterprise project
- 5 located in a distressed county, the level of cooperation and
- 6 support the project applicant commits to the revitalization of the
- 7 distressed county; and
- 8 (C) the type and wage level of the jobs to be
- 9 created or retained by the business.
- 10 (4) In SECTION 4 of the bill, immediately following added
- 11 Section 2303.406(d-1), Government Code (page 2, between lines 26
- 12 and 27), insert the following:
- (e) The office may $\underline{not}[\frac{1}{\tau}]$ designate
- 14 multiple concurrent enterprise projects to a qualified business
- 15 located at a qualified business site.
- 16 (5) In the recital to SECTION 5 of the bill (page 2, line
- 17 28), strike "adding Subsection (e)" and substitute "amending
- 18 Subsections (b), (c), and (d) and adding Subsections (e) and (f)".
- 19 (6) In SECTION 5 of the bill, immediately before added
- 20 Section 2303.407(e), Government Code (page 2, between lines 28 and
- 21 29), insert the following:
- 22 (b) A capital investment in a project of:
- 23 (1) \$40,000 to \$399,999 will result in a refund of up
- 24 to \$2,500 per job with a maximum refund of \$25,000 for the creation
- 25 or retention of 10 jobs;
- 26 (2) \$400,000 to \$999,999 will result in a refund of up
- 27 to \$2,500 per job with a maximum refund of \$62,500 for the creation
- 28 or retention of 25 jobs;
- 29 (3) \$1,000,000 to \$4,999,999 will result in a refund
- 30 of up to \$2,500 per job with a maximum refund of \$312,500 for the
- 31 creation or retention of 125 jobs;

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1 (4) $5,000,000 or more [to $149,999,999] will result
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- e in a refund of up to \$2,500 per job with a maximum refund of
- 3 \$1,250,000 for the creation or retention of 500 jobs, except as
- 4 provided by Subdivision (5) or (6);
- 5 (5) \$150,000,000 to \$249,999,999 will result in a
- 6 refund of up to \$5,000 per new permanent job with a maximum refund
- 7 of \$2,500,000 for the creation [or retention] of 500 new permanent
- 8 jobs if the bank designates the project as a double jumbo enterprise
- 9 project; or
- 10 (6) \$250,000,000 or more will result in a refund of up
- 11 to \$7,500 per new permanent job with a maximum refund of \$3,750,000
- 12 for the creation [or retention] of at least 500 new permanent jobs
- 13 if the bank designates the project as a triple jumbo enterprise
- 14 project.
- 15 (c) An enterprise project for which a commitment for a
- 16 capital investment in the range amount and the creation [or
- 17 retention of the number of new permanent jobs specified by
- 18 Subsection (b)(5) is made is considered a double jumbo enterprise
- 19 project if the project is so designated by the bank. The bank may
- 20 not designate a project as a double jumbo enterprise project after
- 21 the initial designation period approved by the bank under Section
- 22 2303.404(b).
- 23 (d) An enterprise project for which a commitment for a
- 24 capital investment in the range amount and the creation [or
- 25 retention] of the number of new permanent jobs specified by
- 26 Subsection (b)(6) is made is considered a triple jumbo enterprise
- 27 project if the project is so designated by the bank. The bank may
- 28 not designate a project as a triple jumbo enterprise project after
- 29 the initial designation period approved by the bank under Section
- 30 2303.404(b).
- 31 <u>(e) A state-mandated or federally mandated capital</u>

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   investment, including an investment in pollution abatement
   equipment, does not qualify as a committed capital investment in an
2
   enterprise project under this chapter.
3
4
          (7) In SECTION 5 of the bill, in added Section 2303.407(e),
5
   Government Code (page 2, line 29), strike "(e)" and substitute
    "(f)".
6
7
         (8) Strike SECTION 7 of the bill (page 2, lines 46-50) and
8
    substitute the following appropriately numbered SECTION:
9
          SECTION ____. This Act takes effect September 1, 2013.
10
          (9) Add the following appropriately numbered SECTIONS to
    the bill:
11
12
          SECTION ____. Section 2303.003, Government Code, is amended
13
    by amending Subdivision (7) and adding Subdivision (9) to read as
14
    follows:
15
               (7)
                    "Qualified employee" means a person who:
16
                     (A) works for a qualified business; [and]
17
                         receives wages from the qualified business
                     (B)
18
    from which employment taxes are deducted; and
19
                     (C) performs at least 50 percent of the person's
20
    service for the business at the qualified business site, or if the
21
    person engages in the transportation of goods or services, the
    person reports to the qualified business site and resides within 50
22
23
    miles of the qualified business site.
               (9) "Veteran" means a person who:
24
25
                     (A) has served in:
26
                          (i) the army, navy, air force, coast guard,
27
    or marine corps of the United States;
28
                          (ii) the state military forces as defined
29
    by Section 431.001; or
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branches of the armed forces; and

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(iii) an auxiliary service of one of those

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   of the service in which the person served.
3
         SECTION ____. Section 2303.402(a), Government Code, is
4
   amended to read as follows:
5
         (a) A person is a qualified business if the bank, for the
   purpose of state benefits under this chapter, or the nominating
6
7
   body of a project or activity of the person under this chapter, for
8
   the purpose of local incentives, certifies that:
9
              (1) the person is engaged in or has provided
10
   substantial commitment to initiate the active conduct of a trade or
11
   business in an enterprise zone, and at least 25 percent of the
12
   person's new permanent jobs [employees] in the enterprise zone are
13
   held by:
                    (A) residents of any enterprise zone in this
14
15
   state; [<del>or</del>]
16
                    (B)
                        economically disadvantaged individuals; or
17
                    (C) veterans; or
18
               (2) the person is engaged in or has provided
19
   substantial commitment to initiate the active conduct of a trade or
   business in an area of this state that does not qualify as an
20
21
   enterprise zone, and at least 35 percent of the person's new
22
   permanent jobs [employees] at the qualified business site are held
23
   by:
24
                    (A) residents of any enterprise zone in this
25
   state; [or]
26
                    (B) individuals who
                                                are economically
   disadvantaged; or
27
28
                    (C) veterans.
          SECTION ____. Section 2303.504, Government Code, is amended
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   to read as follows:
31
          Sec. 2303.504. STATE TAX REFUNDS [AND CREDITS]; REPORT.
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(B) has been honorably discharged from the branch

1

- 1 (a) Subject to Section 2303.516, an enterprise project is entitled
- 2 to[+
- $\frac{3}{(1)}$ a refund of state taxes under Section 151.429,
- 4 Tax Code[+ and
- 5 [(2) a franchise tax credit under Subchapter Q-1,
- 6 Chapter 171, Tax Code].
- 7 (b) At the time of receipt of any tax benefit available as a
- 8 result of participating in the enterprise zone program, including a
- 9 state sales and use tax refund [or franchise tax credit], three
- 10 percent of the amount of the tax benefit shall be transferred to the
- 11 Texas economic development bank fund under Subchapter B, Chapter
- 12 489, to defray the cost of administering this chapter.
- 13 (c) Not later than the 60th day after the last day of each
- 14 fiscal year, the comptroller shall report to the bank the statewide
- 15 total of actual jobs created, actual jobs retained, and the tax
- 16 refunds [and credits] made under this section during that fiscal
- 17 year.
- 18 SECTION _____. Section 2303.516(b), Government Code, is
- 19 amended to read as follows:
- 20 (b) The comptroller may determine that the business or
- 21 project is not entitled to a refund [or credit] of state taxes under
- 22 Section 2303.504 if the comptroller finds that:
- (1) the business or project is not willing to
- 24 cooperate with the comptroller in providing the comptroller with
- 25 the information the comptroller needs to determine the state
- 26 benefits; or
- 27 (2) the business or project has substantially failed
- 28 to follow through on any commitments made by it or on its behalf
- 29 under this chapter.
- 30 SECTION ____. Section 151.429, Tax Code, is amended by
- 31 amending Subsections (b) and (c) and adding Subsection (k) to read

- 1 as follows:
- 2 (b) Subject to the limitations provided by Subsection (c) of
- 3 this section, an enterprise project qualifies for a refund of taxes
- 4 under this section based on the amount of capital investment made at
- 5 the qualified business site, the project's designation level, and
- 6 the refund per job with a maximum refund to be included in a
- 7 computation of a tax refund for the project. A capital investment
- 8 at the qualified business site of:
- 9 (1) \$40,000 to \$399,999 will result in a refund of up
- 10 to \$2,500 per job with a maximum refund of \$25,000 for the creation
- 11 or retention of 10 jobs;
- 12 (2) \$400,000 to \$999,999 will result in a refund of up
- 13 to \$2,500 per job with a maximum refund of \$62,500 for the creation
- 14 or retention of 25 jobs;
- 15 (3) \$1,000,000 to \$4,999,999 will result in a refund
- 16 of up to \$2,500 per job with a maximum refund of \$312,500 for the
- 17 creation or retention of 125 jobs;
- 18 (4) \$5,000,000 <u>or more</u> [to \$149,999,999] will result
- 19 in a refund of up to \$2,500 per job with a maximum refund of
- 20 \$1,250,000 for the creation or retention of 500 jobs, except as
- 21 provided by Subdivision (5) or (6);
- 22 (5) \$150,000,000 to \$249,999,999 will result in a
- 23 refund of up to \$5,000 per new permanent job with a maximum refund
- 24 of \$2,500,000 for the creation [or retention] of 500 new permanent
- 25 jobs if the Texas Economic Development Bank designates the project
- 26 as a double jumbo enterprise project; or
- 27 (6) \$250,000,000 or more will result in a refund of up
- 28 to \$7,500 per new permanent job with a maximum refund of \$3,750,000
- 29 for the creation [or retention] of at least 500 new permanent jobs
- 30 if the Texas Economic Development Bank designates the project as a
- 31 triple jumbo enterprise project.

- (c) The total amount of tax refund that an enterprise 1 2 project may apply for in a state fiscal year may not exceed \$250,000, at not more than \$2,500 per job. The total amount of tax 3 refund that a double jumbo enterprise project may apply for in a 4 state fiscal year may not exceed \$500,000, at not more than \$5,000 5 per new permanent job. The total amount of tax refund that a triple 6 jumbo enterprise project may apply for in a state fiscal year may 7 not exceed \$750,000, at not more than \$7,500 per new permanent job. 8 If an enterprise project, double jumbo enterprise project, or 9 triple jumbo enterprise project qualifies in a state fiscal year 10 11 for a refund of taxes in an amount in excess of the applicable limitation provided by this subsection, it may apply for a refund of 12 13 those taxes in a subsequent year, subject to the applicable limitation for each year. The total amount that may be refunded to: 14 15 (1) an enterprise project under this section may not
- or retained one or more jobs for qualified employees;

 (2) a double jumbo enterprise project under this
 section may not exceed the amount determined by multiplying
 \$500,000 by the number of state fiscal years during which the double
 jumbo enterprise project created [or retained] one or more new

exceed the amount determined by multiplying \$250,000 by the number

of state fiscal years during which the enterprise project created

- 23 <u>permanent</u> jobs for qualified employees; or
- (3) a triple jumbo enterprise project under this section may not exceed the amount determined by multiplying \$750,000 by the number of state fiscal years during which the triple jumbo enterprise project created [or retained] one or more new permanent jobs for qualified employees.
- (k) A half enterprise project is eligible for a maximum refund not to exceed \$125,000 in each state fiscal year and is subject to the capital investment and job allocation requirements

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1 <u>under Subsection (b)(1), (2), or (3).</u>
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- 2 SECTION ____. Section 151.429(e), Tax Code, is amended by
- 3 adding Subdivision (6) to read as follows:
- 4 (6) "Half enterprise project" means an enterprise
- 5 project split into two half designations as provided by Section
- 6 2303.406(d-1), Government Code.
- 7 SECTION _____. Section 2303.109(b), Government Code, is
- 8 repealed.
- 9 SECTION ____. (a) The changes in law made by this Act to
- 10 Section 2303.402(a), Government Code, apply only to an application
- 11 for a designation of an enterprise project under the enterprise
- 12 zone program under Chapter 2303, Government Code, as amended by
- 13 this Act, filed on or after the effective date of this Act. An
- 14 application for designation of an enterprise project under the
- 15 enterprise zone program filed before the effective date of this Act
- 16 is governed by the law in effect on the date the application was
- 17 filed, and the former law is continued in effect for that purpose.
- 18 (b) The changes in law made by this Act to Section 2303.407,
- 19 Government Code, and Section 151.429, Tax Code, apply only to an
- 20 enterprise project designation made on or after the effective date
- 21 of this Act. An enterprise project designation made before the
- 22 effective date of this Act is governed by the law in effect when the
- 23 designation was made, and the former law is continued in effect for
- 24 that purpose.
- 25 (10) Renumber remaining SECTIONS of the bill accordingly.

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 16, 2013

TO: Honorable Joe Straus, Speaker of the House, House of Representatives

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1982 by Murphy (Relating to the enterprise zone program.), As Passed 2nd House

No significant fiscal implication to the State is anticipated.

The bill would amend Section 2303.004 of the Government Code to remove the one million population criteria in which the governing body of a county would be authorized to nominate an enterprise project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

The bill would require a county to enter into an interlocal agreement with a municipality before designation of an enterprise project and would establish the conditions of the agreement. A county would be authorized to use the maximum number of designations permitted under Section 2303.406 (d) during any biennium. The bill would allow an enterprise project to be split into two half designations and would establish that the maximum refund may not exceed \$125,000 in each state fiscal year.

The bill would revise the definition of a qualified employee, a veteran, and a qualified business as they relate to an Enterprise Zone relating to the Texas Economic Development Bank. The bill would limit the number of enterprise projects that the Texas Economic Development Bank may designate in each application round of each biennium, and provide provisions for the designation of enterprise projects. The bill would also amend the Government Code and the Tax Code to remove the ability of an enterprise project to receive a tax credit and to revise certain requirements for an enterprise project to be eligible to receive a tax refund

The Comptroller of Public Accounts indicates that, although the bill would increase the number of enterprise project designations that could be made by a count within the jurisdiction of a municipality, and would permit enterprise zone project designations to be split into half designations, the total number of full designations and the benefits available would not be increased. Therefore, no significant revenue implications are anticipated.

The Office of the Governor indicates the provisions of the bill could be implemented within existing resources.

It is assumed the bill would take effect September 1, 2013.

Local Government Impact

The fiscal impact would vary depending on whether a county chose to use the maximum number of designations, but it is not anticipated to be significant.

Source Agencies: 301 Office of the Governor, 304 Comptroller of Public Accounts

LBB Staff: UP, RB, EP, CK

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

May 7, 2013

TO: Honorable Bob Deuell, Chair, Senate Committee on Economic Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1982 by Murphy (Relating to the enterprise zone program.), As Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend Section 2303.004 of the Government Code to remove the one million population criteria in which the governing body of a county would be authorized to nominate an enterprise project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

The bill would require a county to enter into an interlocal agreement with a municipality before designation of an enterprise project and would establish the conditions of the agreement. A county would be authorized to use the maximum number of designations permitted under Section 2303.406 (d) during any biennium. The bill would allow an enterprise project to be split into two half designations and would establish that the maximum refund may not exceed \$125,000 in each state fiscal year.

According to the Comptroller of Public Accounts, although the bill would increase the number of enterprise project designations that could be made by a count within the jurisdiction of a municipality, and would permit enterprise zone project designations to be split into half designations, the total number of full designations and the benefits available would not be increased. Therefore, no significant revenue implications are anticipated.

According to the Office of the Governor, no fiscal implication is anticipated.

Local Government Impact

The fiscal impact would vary depending on whether a county chose to use the maximum number of designations, but it is not anticipated to be significant.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller

of Public Accounts

LBB Staff: UP, RB, TP, AG

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 20, 2013

TO: Honorable John Davis, Chair, House Committee on Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1982 by Murphy (Relating to the enterprise zone program.), Committee Report 1st

House, Substituted

No significant fiscal implication to the State is anticipated.

The bill would amend Section 2303.004 of the Government Code to remove the one million population criteria in which the governing body of a county would be authorized to nominate an enterprise project or activity of a qualified business that is located within the jurisdiction of a municipality located in the county.

The bill would require a county to enter into an interlocal agreement with a municipality before designation of an enterprise project and would establish the conditions of the agreement. A county would be authorized to use the maximum number of designations permitted under Section 2303.406 (d) during any biennium. The bill would allow an enterprise project to be split into two half designations and would establish that the maximum refund may not exceed \$125,000 in each state fiscal year.

According to the Comptroller of Public Accounts, although the bill would increase the number of enterprise project designations that could be made by a count within the jurisdiction of a municipality, and would permit enterprise zone project designations to be split into half designations, the total number of full designations and the benefits available would not be increased. Therefore, no significant revenue implications are anticipated.

According to the Office of the Governor, no fiscal implication is anticipated.

Local Government Impact

The fiscal impact would vary depending on whether a county chose to use the maximum number of designations, but it is not anticipated to be significant.

Source Agencies: 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller

of Public Accounts

LBB Staff: UP, RB, TP, AG

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 13, 2013

TO: Honorable John Davis, Chair, House Committee On Economic & Small Business Development

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1982 by Murphy (Relating to the authority of counties to nominate projects in the extraterritorial jurisdictions of certain municipalities for designation as enterprise projects.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend Section 2303.004 of the Government Code to authorize the governing body of a county to nominate an enterprise project or activity of a qualified business that is located in the county and in the extraterritorial jurisdiction of a municipality primarily located in another county. The county would be authorized to use the maximum number of designations permitted under Section 2303.406 (d) within the territory during any biennium.

Although the provisions of the bill could increase the number of enterprise project designations that could be made within the extraterritorial jurisdictions of certain municipalities, the total number of designations that could be made among municipalities and counties combined would not be increased.

According to the Office of the Governor, no fiscal implication is anticipated.

According to the Comptroller of Public Accounts, no significant fiscal impact is anticipated.

Local Government Impact

The fiscal impact would vary depending on whether a county chose to use the maximum number of designations, but it is not anticipated to be significant.

Source Agencies:

300 Trusteed Programs Within the Office of the Governor, 304 Comptroller

of Public Accounts

LBB Staff: UP, RB, TP, AG