

BILL ANALYSIS

Senate Research Center

H.B. 1916
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Economic Development
5/14/1999
Engrossed

DIGEST

Currently, worker training is a major issue for companies wishing to relocate to Texas, and some economic development corporations would like to be able to offer companies funds for job training to make relocating more attractive to those companies. The ability to use economic development tax money for job training could be a spur to economic development in areas with an acute shortage of trained workers. H.B. 1916 allows industrial development corporations to use sales tax revenue for job training expenditures.

PURPOSE

As proposed, H.B. 1916 relates to funding certain job training expenditures through taxes collected by certain industrial development corporations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 2(10), Article 5190.6, V.T.C.S. (Development Corporation Act of 1979), to provide that the definition of "project" also includes job training required or suitable for the promotion of development and expansion of business described in this article, and makes a conforming change. Creates new paragraphs from existing text.

SECTION 2. Amends Section 3, Article 5190.6, V.T.C.S., to make conforming and nonsubstantive changes.

SECTION 3. Amends Section 4A(f), Article 5190.6, V.T.C.S., to make a conforming change.

SECTION 4. Amends Section 4B(a)(2), Article 5190.6, V.T.C.S., to make conforming and nonsubstantive changes.

SECTION 5. Amends Section 4C(b), Article 5190.6, V.T.C.S., to make conforming and nonsubstantive changes.

SECTION 6. Amends Article 5190.6, V.T.C.S., by adding Section 38, as follows:

Sec. 38. Defines "average weekly wage." Authorizes a corporation to spend tax revenue received under this article for job training offered through a business enterprise only if it has committed in writing to create new jobs paying the average weekly wage for the county, except as provided in Subsection (c). Authorizes a corporation to spend tax revenue received under this article for job training offered through a business enterprise only if the business enterprise has committed in writing to create new jobs paying 90 percent of the average weekly wage for the county, if the county unemployment rate for the preceding calendar year is 1.5 times the average unemployment rate for the state. Prohibits a corporation from spending tax revenue received under this article in an amount that exceeds more than one-half the actual cost of job training. Prohibits a corporation from using tax revenue received under this article for job training if other state or federal funds dedicated to job training are used on the project, unless the county unemployment rate for the preceding calendar year is 1.5 times the average unemployment rate for the state.

SECTION 7. Emergency clause.

Effective date: upon passage.