

BILL ANALYSIS

Senate Research Center

C.S.S.B. 15

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Finance

2/20/2003

Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, in an effort to re-employ former defense workers, San Antonio has focused on attracting Toyota. Toyota insisted on locating a site that offered competitive rail access; however, the site under consideration by Toyota does not offer such access. As proposed, S.B. 15 would authorize the Texas Department of Economic Development to grant \$15 million from the Smart Jobs Fund Account for the construction of a secondary rail line.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Economic Development in SECTION 2 of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. LEGISLATIVE FINDINGS. Provides that the legislature finds that the use of public funds for certain purposes relating to business location incentives is in the public interest and serves a public purpose of the state.

SECTION 2. BUSINESS LOCATION INCENTIVES. (a) Provides that the Texas Department of Economic Development (TDED) is authorized to make grants to businesses locating within Texas for the purpose of diversifying the economy, reducing unemployment or underemployment, or developing or expanding transportation or commerce. Authorizes TDED to develop procedures or adopt rules to implement this Act.

(b) Provides that from the amounts appropriated by Chapter 637, Acts of the 77th Legislature, Regular Session, 2001 and Chapter 1515, Acts of the 77th Legislature, Regular Session, 2001 (the General Appropriations Act), from Smart Jobs Fund No. 891 to TDED in connection with the smart jobs program, TDED is authorized to expend the unencumbered amount of \$15,000,000 during the remainder of the fiscal year ending August 31, 2003, for business location incentives.

(c) Provides that the unexpended balance of funds described by Subsection (b) of this section remaining at the end of the fiscal year ending August 31, 2003, is appropriated from Smart Jobs Fund No. 891 to TDED for the fiscal year beginning September 1, 2003, for business location incentives.

SECTION 3. Effective date: upon passage or September 1, 2003.

SUMMARY OF COMMITTEE CHANGES

Differs from original by adding new SECTION 2(a) which states the Texas Department of Economic Development (TDED) is authorized to make grants to businesses locating in Texas for certain reasons

and gives TDED rulemaking authority to implement this Act.

Differs from original in SECTION 2 by redesignating Subsection (a) as (b) and adding amounts appropriated by Chapter 637, Acts of the 77th Legislature, Regular Session, 2001.

Differs from original in SECTION 2 by redesignating Subsection (b) as (c) and making a conforming change.