

BILL ANALYSIS

Senate Research Center
80R21074 HLT-D

H.B. 1196
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Business & Commerce
5/17/2007
Committee Report (Amended)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, businesses are able to use public funds through taxpayer-subsidized job creation grants and tax abatements to employ illegal immigrants. Many Texans are concerned about the impact of illegal immigrants and the associated dangers related to the illegal smuggling of humans.

H.B. 1196 ensures that public funds are not used to encourage illegal immigration into the state by prohibiting any taxpayer-subsidized job creation grant or tax abatement given to any business entity in Texas from violating federal immigration law.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 10, Government Code, by adding Chapter 2264, as follows:

CHAPTER 2264. RESTRICTIONS ON USE OF CERTAIN PUBLIC SUBSIDIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 2264.001. DEFINITIONS. Defines "economic development corporation," "public agency," "public subsidy," and "undocumented worker."

[Reserves Sections 2264.002-2264.050 for expansion.]

SUBCHAPTER B. RESTRICTIONS ON USE OF CERTAIN PUBLIC SUBSIDIES TO EMPLOY UNDOCUMENTED WORKERS

Sec. 2264.051. STATEMENT REQUIRED IN APPLICATION FOR PUBLIC SUBSIDIES. Requires a public agency, state or local taxing jurisdiction, or economic development corporation to require a business that submits an application to receive a public subsidy to include in the application a statement certifying that the business, or a branch, division, or department of the business, does not and will not employ an undocumented worker.

Sec. 2264.052. CONDITION ON RECEIPT OF PUBLIC SUBSIDIES. Requires the statement required by Section 2264.051 to state that if, after receiving a public subsidy, the business, or a branch, division, or department of the business, is convicted of a violation under 8 U.S.C. Section 1324a(f) (regarding criminal penalties and injunctions for pattern or practice violations regarding unlawful employment of aliens), the business is required to repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies the business of the violation.

Sec. 2264.053. AGREEMENT REGARDING REPAYMENT OF INTEREST. Requires a public agency, state or local taxing jurisdiction, or economic development corporation, before awarding a public subsidy to a business, to enter into a written agreement with the business specifying the rate and terms of the payment of interest if the business is required to repay the public subsidy.

[Reserves Sections 2264.054-2264.100 for expansion.]

SUBCHAPTER C. ENFORCEMENT

Sec. 2264.101. RECOVERY. (a) Authorizes a public agency, local taxing jurisdiction, or economic development corporation, or the attorney general on behalf of the state or a state agency, to bring a civil action to recover any amounts owed to the public agency, state or local taxing jurisdiction, or economic development corporation under this chapter.

(b) Requires the public agency, local taxing jurisdiction, economic development corporation, or attorney general, as applicable, to recover court costs and reasonable attorney's fees incurred in an action brought under Subsection (a).

(c) Provides that a business is not liable for a violation of this chapter by a subsidiary, affiliate, or franchise of the business, or by a person with whom the business contracts.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.

SUMMARY OF COMMITTEE CHANGES

Committee Amendment No. 1

Amends SECTION 1 of the bill, in added Section 2264.051, Government Code, to require a public agency, state or local taxing jurisdiction, or economic development corporation to require a business that submits an application to receive a public subsidy to include in the application a statement certifying that the business, or a branch, division, or department of the business, does not and will not knowingly employ an undocumented worker.