

BILL ANALYSIS

Senate Research Center
85R826 CLG-D

S.B. 1748
By: Hinojosa
Natural Resources & Economic Development
3/31/2017
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, an economic development corporation may spend tax revenue received under the Development Corporation Act for job training offered through a business enterprise only if certain criteria are met, which includes a commitment in writing to create new jobs and pay competitive wages. However, businesses in areas with high unemployment rates and a high percentage of citizens with limited skills are unlikely to spend funds to train someone lacking basic skills.

Similarly, there are economic development corporations in communities with a large unskilled population that would like to utilize the funds to provide life and basic skills training to prepare individuals for job training programs.

S.B. 1748 authorizes certain economic development corporations in an area with high unemployment rates to provide life skills training and job-related skills training to individuals.

S.B. 1748 allows an economic development corporation to spend tax revenue on job training that consists of providing job-related life skills and job training skills sufficient to enable an unemployed individual to obtain employment. It also authorizes a corporation to which this section applies to contract with any person to provide the job training authorized under this section

S.B. 1748 is bracketed only to Hidalgo County in the Rio Grande Valley.

As proposed, S.B. 1748 amends current law relating to use of tax revenue by certain development corporations for job-related skills training.

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 Section 501.163(a), Local Government Code, as follows:

(a) Provides that this section (Use of Tax Revenue for Job-Related Skills Training by Certain Corporations) applies only to a corporation the creation of which was authorized by a municipality that, among certain other criteria, is located in a county that borders the Gulf of Mexico or the Gulf Intercoastal Waterway or borders the United Mexican States and in which four municipalities with a population of 70,000 or more are located.

SECTION 2. Effective date: upon passage or September 1, 2017.