

CHAPTER 974

H.B. No. 1872

AN ACT

relating to certain building projects in enterprise zones and the authority of neighborhood enterprise associations in those zones.

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 2(b), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended to read as follows:

(b) It is therefore the public policy of this state to provide the people of this state with the necessary means to assist communities, their residents, and the private sector to create the

proper economic and social environment to induce the investment of private resources in productive business enterprises located in severely distressed areas and to provide employment to *and create housing opportunities* for residents of those areas. In achieving this objective, through this Act the state seeks to provide appropriate investments, tax benefits, and regulatory relief to encourage the business community to commit its financial participation. Accordingly, the legislature declares the revitalization of enterprise zones through the concerted efforts of government and the private sector to be a public purpose.

SECTION 2. Section 3(a)(11), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended to read as follows:

(11) "Qualified business" means a person, including a corporation or other entity, that the department, for purposes of state benefits under this Act, and a governing body, for purposes of local benefits, certifies:

(A) to have met the following criteria:

(i) [~~A~~] the person is engaged in or has provided substantial commitment to initiate the active conduct of a trade or business in the zone; and

(ii) [~~B~~] at least 25 percent of the business's new employees in the zone are residents of any zone within the governing body's or bodies' jurisdiction or economically disadvantaged individuals; or

(B) as a builder that has demonstrated:

(i) *proficiency in residential construction in the state by providing five satisfactory homeowner references for properties constructed by the builder in the preceding three years that include the name of the property and the builder of the property, together with copies of inspection reports performed by code-certified residential inspectors or municipal inspectors on the residences, or other satisfactory evidence;*

(ii) *financial stability by providing bank references, financial compilations, and copies of two years of tax returns, or other satisfactory evidence; and*

(iii) *participation in a 10-year insured warranty program.*

SECTION 3. Sections 10(b) and (i), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), are amended to read as follows:

(b) The application to the department must include:

(1) a complete description of the conditions in the zone that constitute pervasive poverty, unemployment, and economic distress for purposes of Subsection (b) of Section 4 of this Act;

(2) a description of each municipality's or county's procedures and efforts to facilitate and encourage participation by and negotiation between all affected entities in the zone in which the qualified business is located;

(3) an economic analysis of the plans of the qualified business for expansion, revitalization, or other activity in the zone, including the anticipated number of new permanent jobs it will create, the anticipated number of permanent jobs it will retain, the amount of investment to be made in the zone, and other information that the department requires; ~~and~~

(4) a description of the local effort made by the municipality or county, the administrative authority, the qualified business, and other affected entities to achieve development and revitalization of the zone; *and*

(5) *if the qualified business is a builder proposing a housing project, a complete description of the new residential housing to be constructed, including preliminary plans, number of units to be constructed, estimated sales price of homes, statement of affirmative action participation in employment practices, statement of coordinated use of other federal, state, or local funds to enhance the project, and other enhancements to the project.*

(i) Factors to be considered in evaluating the local effort on the part of a public entity include:

(1) tax abatement, deferral, refunds, or other tax incentives;

(2) regulatory relief, including:

- (A) zoning changes or variances;
  - (B) exemptions from unnecessary building code requirements, *impact fees*, or *inspection fees*; and
  - (C) streamlined permitting;
- 3) enhanced municipal services, including:
- (A) improved police and fire protection;
  - (B) institution of community crime prevention programs; and
  - (C) special public transit routes or reduced fares;
- 4) improvements in community facilities, including:
- (A) capital improvements in water and sewer facilities;
  - (B) road repair; and
  - (C) creation or improvement of parks;
- 5) improvements to housing, including:
- (A) low interest loans for housing rehabilitation, [or] improvement, or *new construction*; and
  - (B) transfer of abandoned housing to individuals or community groups;
- 6) business and industrial development services, including:
- (A) low interest loans for business;
  - (B) use of surplus school buildings or other underutilized publicly owned facilities as small business incubators;
  - (C) provision of publicly owned land for development purposes, *including residential, commercial, or industrial development*;
  - (D) creation of special one-stop permitting and problem resolution centers or ombudsmen; and
  - (E) promotion and marketing services; and
- 7) job training and employment services, including:
- (A) retraining programs;
  - (B) literacy and employment skills programs;
  - (C) vocational education; and
  - (D) customized job training.

SECTION 4. Section 21(o), Texas Enterprise Zone Act (Article 5190.7, Vernon's Texas Civil Statutes), is amended to read as follows:

(o) The association has other powers as established by law or regulation, as well as all powers available to similar corporations under state law. *The association may enter into contracts and participate in joint ventures with the state or a state agency or institution. The association may receive money without approval of the governing body.*

SECTION 5. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 7, 1993, by a non-record vote; the House concurred in Senate amendments to H.B. No. 1872 on May 28, 1993, by a non-record vote; passed by the Senate, with amendments, on May 26, 1993: Yeas 30, Nays 0.

Approved June 19, 1993.

Effective Aug. 30, 1993, 90 days after date of adjournment.