

89TH TEXAS LEGISLATURE



Since 1961

The Texas Economic Development Council is our state's leading advocate for public policies related to economic development. TEDC is dedicated to working closely with lawmakers to support legislation that will promote a positive business environment and pro-economic development initiatives to enhance Texas' ability to compete for jobs and investment.

TEDC'S LEGISLATIVE PRIORITIES

- ✓ **Maintain and Enhance Existing Economic Development Tools**
- ✓ **Protect the Economic Development Sales Tax for Economic and Community Development Purposes**
- ✓ **Preserve Chapter 380/381 Agreements for Economic Development Projects**
- ✓ **Maintain Funding for Existing Economic Development Tools**
- ✓ **Support Workforce Development Programs**
- ✓ **Enhance Infrastructure Investments for Continued Business Growth**



MAINTAIN AND ENHANCE EXISTING ECONOMIC DEVELOPMENT TOOLS

Improve the efficiency and effectiveness of the JETI Act

- The Jobs, Energy, Technology & Innovation (JETI) Act (Chapter 403) was passed last session with overwhelming support. Its purpose is to create a competitive and transparent tool to attract large capital investments that may not otherwise locate in Texas. The program supports both rural and urban business location projects in dispatchable energy, advanced manufacturing, technology, R&D, and critical infrastructure projects.
- TEDC supports updates to the program to make it more competitive and effective for Texas to attract more large-scale investments and high-paying jobs.

Extend Research & Development Tax Credit

- Research and development (R&D) is the first phase in pioneering the products and solutions that power the Texas economy.
- The Texas Legislature created our current franchise tax credit for R&D in 2013, which will expire on December 31, 2026.
- TEDC supports extending the R&D tax credit to ensure that a company currently searching for an R&D location for 2027 and beyond will consider and choose Texas.



PROTECT THE ECONOMIC DEVELOPMENT SALES TAX FOR ECONOMIC AND COMMUNITY DEVELOPMENT PURPOSES

Allow communities to continue to use the **Type A/Type B Economic Development Sales Tax** for primary job creation and community development investments.

This economic development tool is an indispensable local asset that can help keep Texas at the forefront of economic development success.

Over 700 communities across Texas collect the local option economic development sales tax.

Impact: The Economic Development Sales Tax has supported approximately 1.2 million jobs across Texas, more than 20% of net new jobs created in the State more than 30 years. (*Three Decades of Prosperity: The Impact of Projects Facilitated by the Texas Sales Tax for Economic Development, The Perryman Group, 2020*)



PRESERVE CHAPTER 380/381 AGREEMENTS FOR ECONOMIC DEVELOPMENT PROJECTS

Chapter 380/381 Agreements are flexible, transparent tools that allow local governments to create customized incentive programs that retain and expand small and large businesses.

These programs will enable communities to respond to business growth by tailoring incentives to the needs of prospective companies while also diversifying the local tax base.

The TEDC supports retaining Chapter 380/381 as currently reflected in the statute.



MAINTAIN FUNDING FOR EXISTING ECONOMIC DEVELOPMENT TOOLS

Texas Enterprise Fund (TEF)

- The TEF is a deal-closing fund for economic development projects that must prove competition with another state or country, significant job creation, above-average wages, substantial capital investment, and community involvement.
- Since 2004, the TEF has awarded more than \$679 million toward projects, creating nearly 110,000 direct jobs and more than \$53 billion in capital investment.

Cancer Prevention & Research Institute of Texas (CPRIT)

CPRIT is a hub that connects universities, researchers, physicians, companies, hospitals, and clinics across Texas to form a critical infrastructure of distinguished cancer-fighting talent. This connectivity creates high-quality jobs, supports critical lab assets, and drives innovation in cancer research to reduce the burden of cancer for all Texans.

Governor's University Research Initiative (GURI)

- The GURI was enacted in 2015 to bring the best and brightest researchers from around the world to Texas colleges and universities. Through the GURI program, Texas welcomes transformative researchers who will, in turn, serve as economic catalysts for the Texas economy for years to come.
- TEDC supports the funding of GURI to help attract the best researchers from around the world.

Other Important Economic Development Tools and Programs

- Maintain funding for film & music incentive programs
- Support continued funding of programs that provide resources to enhance rural economic development opportunities
- Support continued funding for the Data Center Sales Tax Exemption so Texas can remain a national leader in the technology and artificial intelligence industries
- Support continued funding for the Texas CHIPS Program & Texas Space Commission



SUPPORT WORKFORCE DEVELOPMENT PROGRAMS

A talented and highly skilled workforce is vital to compete for jobs and investment for continued economic development success.

Support continued funding of workforce development programs such as:

- Skills Development Fund
- High-Demand Job Training Program
- Jobs and Education for Texans Program and Skills for Small Business Programs facilitated by the Texas Workforce Commission
- Support programs that Texas Workforce Development Boards facilitate to upskill, retrain, and educate the labor force
- Outcomes-based skills training funding for community colleges and state training institutions

Childcare initiatives—The high cost and limited availability of childcare have always been hurdles for parents who want to work. These problems existed before the pandemic and continue to make it hard for parents to fully join the workforce.

- TEDC supports policies and funding for programs that invest in community-based programs supporting childcare.
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Enhance Infrastructure Investments for Continued Business Growth

Energy

- A reliable, cost-effective electric grid is necessary to continue to attract businesses from all industries.
- Support the “all the above and below” energy strategy, which strengthens our electric grid’s reliability and capacity while encouraging more investment in electric generation resources.
- Support increased investment in generation and transmission capacity, prioritizing dispatchable power and affordability.
- Support continued funding for the Texas Energy Fund

Water

- Access and availability of water resources are vital to the continued success of economic development opportunities in Texas.
- Support additional funding to develop water infrastructure projects.

Broadband

- Access to affordable broadband internet is necessary for all Texans and communities across the state to educate the future workforce and ensure the connectivity and success of businesses.
- Support initiatives to fund broadband expansion to underserved areas of the state.



TEXAS ECONOMIC DEVELOPMENT COUNCIL

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