

By: Armbrister

S.B. No. 1262

A BILL TO BE ENTITLED

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AN ACT

relating to the use of certain incentives by municipalities for certain economic development.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 380.002, Local Government Code, is amended by adding Subsection (d) to read as follows:

(d) A municipality may not provide a grant of public money pursuant to the provisions of this chapter for a business enterprise whose business consists primarily of purchasing taxable items using a resale certificate and then reselling those items to a related party. For purposes of this section, a "related party" is one that owns at least 80 percent of the business enterprise to which the grant of public money would be made.

SECTION 2. This Act takes effect September 1, 2003, and applies only to an economic incentive offered on or after that date. An economic incentive offered before that date is governed by the law in effect when the incentive was offered, and that law is continued in effect for that purpose.