

BILL ANALYSIS

H.B. 551
By: Phillips
Economic Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Development Corporation Act of 1979 permits eligible cities to seek voter approval to levy a Section 4A, Section 4B or both types of economic development sales taxes. These taxes are used by the cities' economic development corporations to help facilitate the attraction and expansion of industry in the cities.

During the 78th Legislative Session, H.B. 2912 was passed to clarify the allowable uses of the tax funds in an effort to comply with the original intent of the Act. The bill listed numerous North American Industry Classification System (NAICS) sector numbers for which a business would have to qualify in order to receive assistance from a development corporation.

HB 551 would amend the definition of "primary job" in the Development Corporation Act of 1979 by adding NAICS Sector # 56142.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 2(17), Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), the definition of "primary job" in the Development Corporation Act of 1979 by adding NAICS Sector # 56142 (Telephone Call Centers).

SECTION 2. Provides the effective date of this Act.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2005.