

By: McReynolds

H.B. No. 2755

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the authority of certain development corporations to
3 undertake projects for the development, retention, or expansion of
4 business enterprises.

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

6 SECTION 1. Section 4B, Development Corporation Act of 1979
7 (Article 5190.6, Vernon's Texas Civil Statutes) is amended by
8 adding Subsection (g-1) to read as follows:

9 (g) On receipt of the proceeds of the sales and use tax
10 imposed under this section from the comptroller, the eligible city
11 shall deliver the proceeds to the corporation. Tax proceeds may be
12 used to:

13 (1) pay the costs of projects of the types added to the
14 definition of that term by Subsection (a) of this section; or

15 (2) pay the principal of, interest on, and other costs
16 relating to bonds or other obligations issued by the corporation to
17 pay the costs of the projects or to refund bonds or other
18 obligations issued to pay the costs of projects.

19 (g-1) (1) This subsection applies only to a corporation
20 created by an eligible city that has not for either of the preceding
21 two fiscal years received more than \$50,000 in revenues from sales
22 and use taxes imposed under this Act for the benefit of the
23 corporation.

24 (2) A corporation to which this subsection applies may

1 use the tax proceeds for the development, retention, or expansion
2 of business enterprises.

3 SECTION 2. This Act takes effect immediately if it receives
4 a vote of two-thirds of all the members elected to each house, as
5 provided by Section 39, Article III, Texas Constitution. If this
6 Act does not receive the vote necessary for immediate effect, this
7 Act takes effect September 1, 2005.