

By: Kolkhorst, Cook of Navarro, Chisum,  
McReynolds, et al.

H.B. No. 2928

A BILL TO BE ENTITLED

1 AN ACT

2 relating to projects that may be undertaken by certain development  
3 corporations with respect to business enterprises or business  
4 development.

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

6 SECTION 1. Section 2(11), Development Corporation Act of  
7 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to  
8 read as follows:

9 (11) [~~(A)~~] "Project" shall mean:

10 (A) the land, buildings, equipment, facilities,  
11 expenditures, targeted infrastructure, and improvements (one or  
12 more) that are for the creation or retention of primary jobs and  
13 that are found by the board of directors to be required or suitable  
14 for the development, retention, or expansion of manufacturing and  
15 industrial facilities, research and development facilities,  
16 transportation facilities (including but not limited to airports,  
17 ports, mass commuting facilities, and parking facilities), sewage  
18 or solid waste disposal facilities, recycling facilities, air or  
19 water pollution control facilities, facilities for the furnishing  
20 of water to the general public, distribution centers, small  
21 warehouse facilities capable of serving as decentralized storage  
22 and distribution centers, primary job training facilities for use  
23 by institutions of higher education, and regional or national  
24 corporate headquarters facilities; ~~[-]~~

1           (B) [~~"Project" also includes~~] job training  
2 required or suitable for the promotion of development and expansion  
3 of business enterprises and other enterprises described by this  
4 Act, as provided by Section 38 of this Act;~~[-]~~

5           (C) [~~"Project" also includes~~] expenditures found  
6 by the board of directors to be required or suitable for  
7 infrastructure necessary to promote or develop new or expanded  
8 business enterprises limited to streets and roads, rail spurs,  
9 water and sewer utilities, electric utilities, gas utilities,  
10 drainage, site improvements, and related improvements, [~~and~~]  
11 telecommunications and Internet improvements, and beach  
12 remediation along the Gulf of Mexico; or

13           (D) the land, buildings, equipment, facilities,  
14 expenditures, targeted infrastructure, and improvements found by  
15 the board of directors to be required or suitable for the  
16 revitalization or improvement of the economic vitality of a  
17 blighted area of the city that created the corporation.

18           SECTION 2. Section 2, Development Corporation Act of 1979  
19 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by  
20 adding Subdivision (19) to read as follows:

21           (19) "Blighted area" means an area of a city, or an  
22 area adjacent to such an area of a city, in which a substantial  
23 number of substandard, slum, deteriorated, or deteriorating  
24 structures that the city finds are a menace to the public health,  
25 safety, or welfare in their present condition and use are located or  
26 an area that has been designated and included in a reinvestment zone  
27 created under Chapter 311, Tax Code.

1           SECTION 3. Section 4B(a), Development Corporation Act of  
2 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by  
3 adding Subdivision (3) to read as follows:

4           (3) For a corporation created by an eligible city with  
5 a population of 20,000 or less, "project" shall also include the  
6 land, buildings, equipment, facilities, expenditures, targeted  
7 infrastructure, and improvements found by the board of directors to  
8 promote new or expanded business development. A corporation may  
9 not undertake a project authorized by this subdivision that  
10 requires an expenditure of more than \$10,000 until the governing  
11 body of the eligible city creating the corporation adopts a  
12 resolution authorizing the project after giving the resolution at  
13 least two separate readings.

14           SECTION 4. Section 40(a), Development Corporation Act of  
15 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to  
16 read as follows:

17           (a) A corporation created under this Act may not provide a  
18 direct incentive to or make an expenditure on behalf of a business  
19 enterprise under a project as defined by Section 2 or 4B(a)(2) or  
20 (3) of this Act unless the corporation enters into a performance  
21 agreement with the business enterprise.

22           SECTION 5. This Act takes effect September 1, 2005.