

AN ACT

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

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

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

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

(A) the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements (one or more) that are for the creation or retention of primary jobs and that are found by the board of directors to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities, research and development facilities, transportation facilities (including but not limited to airports, ports, mass commuting facilities, and parking facilities), sewage or solid waste disposal facilities, recycling facilities, air or water pollution control facilities, facilities for the furnishing of water to the general public, distribution centers, small warehouse facilities capable of serving as decentralized storage and distribution centers, primary job training facilities for use by institutions of higher education, and regional or national 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;

13           (D) for a corporation created by a city any part  
14 of which is located within 25 miles of an international border, the  
15 land, buildings, facilities, infrastructure, and improvements  
16 that:

17                   (i) the board of directors finds are  
18 required or suitable for the development or expansion of airport  
19 facilities; or

20                   (ii) are undertaken by the corporation if  
21 the city that created the corporation has, at the time the project  
22 is approved by the corporation as provided by this Act:

23                           (a) a population of less than 50,000;  
24 or

25                           (b) an average rate of unemployment  
26 that is greater than the state average rate of unemployment during  
27 the 12-month period for which data is available that immediately

1 precedes the date the project is approved; or

2 (E) expenditures found by the board of directors  
3 to be required or suitable for infrastructure necessary to promote  
4 or develop new or expanded business enterprises, including  
5 airports, ports, and sewer or solid waste disposal facilities, if  
6 the corporation:

7 (i) is created by a city wholly or partly  
8 located in a county that is bordered by the Rio Grande, has a  
9 population of at least 500,000, and has wholly or partly within its  
10 boundaries at least four cities that each have a population of at  
11 least 25,000; and

12 (ii) does not support a project, as defined  
13 by this subdivision, with sales and use tax revenue collected under  
14 Section 4A or 4B of this Act.

15 SECTION 2. Section 4A(i), Development Corporation Act of  
16 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to  
17 read as follows:

18 (i) Except as provided by this subsection, the corporation  
19 may not undertake a project the primary purpose of which is to  
20 provide transportation facilities, solid waste disposal  
21 facilities, sewage facilities, facilities for furnishing water to  
22 the general public, or air or water pollution control facilities.  
23 However, the corporation may provide those facilities to benefit  
24 property acquired for a project having another primary purpose.  
25 The corporation may undertake a project the primary purpose of  
26 which is to provide:

27 (1) a general aviation business service airport that

1 is an integral part of an industrial park; ~~[or]~~

2 (2) port-related facilities to support waterborne  
3 commerce; or

4 (3) airport-related facilities, if the corporation is  
5 created by a city that is wholly or partly located within 25 miles  
6 of an international border and has, at the time the project is  
7 approved by the corporation as provided by this Act:

8 (A) a population of less than 50,000; or

9 (B) an average rate of unemployment that is  
10 greater than the state average rate of unemployment during the  
11 12-month period for which data is available that immediately  
12 precedes the date the project is approved.

13 SECTION 3. Section 4B(a), Development Corporation Act of  
14 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by  
15 adding Subdivisions (3) and (4) to read as follows:

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

26 (4)(A) In this subdivision, "landlocked community"  
27 means a city that is wholly or partly located in a county with a

1 population of 2 million or more and has within its city limits and  
2 extraterritorial jurisdiction less than 100 acres that can be used  
3 for the development of manufacturing or industrial facilities in  
4 accordance with the zoning laws or land use restrictions of the  
5 city.

6 (B) For a landlocked community that creates or  
7 has created a corporation governed by this section, "project" also  
8 includes expenditures found by the board of directors to be  
9 required for the promotion of new or expanded business enterprises  
10 within the landlocked community.

11 SECTION 4. Section 40(a), Development Corporation Act of  
12 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to  
13 read as follows:

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

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

H.B. No. 2928

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2928 was passed by the House on April 29, 2005, by a non-record vote; that the House refused to concur in Senate amendments to H.B. No. 2928 on May 27, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2928 on May 29, 2005, by a non-record vote.

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Chief Clerk of the House

H.B. No. 2928

I certify that H.B. No. 2928 was passed by the Senate, with amendments, on May 25, 2005, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2928 on May 29, 2005, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor