

By: Deshotel

H.B. No. 3036

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the number, terms, and removal of directors of certain
3 development corporations.

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

5 SECTION 1. Section 4A(c), Development Corporation Act of
6 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
7 read as follows:

8 (c) The board of directors of a corporation under this
9 section consists of at least five directors who are appointed by the
10 governing body of the city and who serve at the pleasure of the
11 governing body and may be removed by the governing body at any time
12 without cause. The governing body of the city shall determine the
13 number of directors and the length of the term of each director, not
14 to exceed six years. A majority of the entire membership of the
15 board constitutes a quorum. The board shall conduct each of its
16 meetings within the boundaries of the city. The board shall appoint
17 a president, a secretary, and other officers of the corporation
18 that the governing body of the city considers necessary. The
19 corporation's registered agent must be an individual resident of
20 the state and the corporation's registered office must be within
21 the boundaries of the city.

22 SECTION 2. Not later than January 1, 2006, the governing
23 body of a city that has created a corporation governed by Section
24 4A, Development Corporation Act of 1979 (Article 5190.6, Vernon's

1 Texas Civil Statutes), shall take action necessary to conform the
2 length of terms of the board of directors of that corporation to the
3 requirements of Section 4A(c), Development Corporation Act of 1979
4 (Article 5190.6, Vernon's Texas Civil Statutes), as amended by this
5 Act.

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