

AN ACT

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

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

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

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

SECTION 2. Not later than January 1, 2006, the governing body of a city that has created a corporation governed by Section 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.

President of the Senate

Speaker of the House

I certify that H.B. No. 3036 was passed by the House on April 19, 2005, by the following vote: Yeas 143, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3036 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor