

By: Deshotel

H.B. No. 3036

A BILL TO BE ENTITLED

1 AN ACT

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 three [~~five~~] directors who are
10 appointed by the governing body of the city and who serve at the
11 pleasure of the governing body and may be removed by the governing
12 body at any time without cause. The governing body of the city
13 shall determine the number of directors and the length of the term
14 of each director, not to exceed six years. A majority of the entire
15 membership of the board constitutes a quorum. The board shall
16 conduct each of its meetings within the boundaries of the city. The
17 board shall appoint a president, a secretary, and other officers of
18 the corporation that the governing body of the city considers
19 necessary. The corporation's registered agent must be an
20 individual resident of the state and the corporation's registered
21 office must be within 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 number and length of terms of the board of directors of that
3 corporation to the requirements of Section 4A(c), Development
4 Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil
5 Statutes), as amended by this 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.