

1-1 By: Deshotel (Senate Sponsor - Janek) H.B. No. 3036  
1-2 (In the Senate - Received from the House April 20, 2005;  
1-3 April 21, 2005, read first time and referred to Subcommittee on  
1-4 Emerging Technologies and Economic Development; May 19, 2005,  
1-5 reported favorably to Committee on Business and Commerce;  
1-6 May 21, 2005, reported favorably from Committee on Business and  
1-7 Commerce by the following vote: Yeas 6, Nays 0; May 21, 2005, sent  
1-8 to printer.)

1-9 A BILL TO BE ENTITLED  
1-10 AN ACT

1-11 relating to the number, terms, and removal of directors of certain  
1-12 development corporations.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 4A(c), Development Corporation Act of  
1-15 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to  
1-16 read as follows:

1-17 (c) The board of directors of a corporation under this  
1-18 section consists of at least five directors who are appointed by the  
1-19 governing body of the city and who serve at the pleasure of the  
1-20 governing body and may be removed by the governing body at any time  
1-21 without cause. The governing body of the city shall determine the  
1-22 number of directors and the length of the term of each director, not  
1-23 to exceed six years. A majority of the entire membership of the  
1-24 board constitutes a quorum. The board shall conduct each of its  
1-25 meetings within the boundaries of the city. The board shall appoint  
1-26 a president, a secretary, and other officers of the corporation  
1-27 that the governing body of the city considers necessary. The  
1-28 corporation's registered agent must be an individual resident of  
1-29 the state and the corporation's registered office must be within  
1-30 the boundaries of the city.

1-31 SECTION 2. Not later than January 1, 2006, the governing  
1-32 body of a city that has created a corporation governed by Section  
1-33 4A, Development Corporation Act of 1979 (Article 5190.6, Vernon's  
1-34 Texas Civil Statutes), shall take action necessary to conform the  
1-35 length of terms of the board of directors of that corporation to the  
1-36 requirements of Section 4A(c), Development Corporation Act of 1979  
1-37 (Article 5190.6, Vernon's Texas Civil Statutes), as amended by this  
1-38 Act.

1-39 SECTION 3. This Act takes effect immediately if it receives  
1-40 a vote of two-thirds of all the members elected to each house, as  
1-41 provided by Section 39, Article III, Texas Constitution. If this  
1-42 Act does not receive the vote necessary for immediate effect, this  
1-43 Act takes effect September 1, 2005.

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