

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION**

**March 29, 2005**

**TO:** Honorable Allan Ritter, Chair, House Committee on Economic Development

**FROM:** John S. O'Brien, Deputy Director, Legislative Budget Board

**IN RE: HB3036** by Deshotel (Relating to the number, terms, and removal of directors of certain development corporations.), **As Introduced**

<b>No fiscal implication to the State is anticipated.</b>
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The bill would amend the Development Corporation Act of 1979 (the Act) found in Article 5190.6, Vernon's Texas Civil Statutes to reduce the number of Section 4A directors required from five to at least three. The bill would also authorize a governing body of the city to set the length of term for each 4A director at not more than six years and would allow the governing body to remove a director at any time without cause.

Section 4A of the Act currently requires that development corporations be governed by a board of five directors. Section 11 of the Act, however, which applies to all development corporations contains broader provisions for both terms of office and removal of directors. The bill makes the 4A provisions consistent with the general provisions by changing the number of directors to not less than three.

This bill would take effect immediately upon enactment, assuming that it received the requisite two-thirds majority votes in both houses of the Legislature. Otherwise, it would take effect on September 1, 2005.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts

**LBB Staff:** JOB, JRO, WP, EB