

BILL ANALYSIS

H.B. 2988
By: Hill
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There is a growing need for transit funding, especially in our major metropolitan areas, to combat traffic congestion and air pollution. Currently, it is unclear if revenue collected by development corporations created under Section 4A or 4B of The Development Corporation Act (Article 5190.6, Vernon's Texas Civil Statutes) can be used for transit purposes.

This legislation allows development corporations created under The Development Corporation Act to use the revenue they collect for transit purposes.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

This legislation amends The Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes) by adding Section 38A, which allows a corporation created under Section 4A or 4B of the Act, as authorized by its board of directors, to spend tax revenue it receives for the purposes relating to the operation of commuter rail, light rail or motor buses.

The bill is effective immediately, unless it fails to receive the necessary vote, in which case it is effective September 1, 2007.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.