

BILL ANALYSIS

H.B. 3268
By: Eiland
Local Government Ways & Means
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The Development Corporation Act of 1979 allows cities to create nonprofit development corporations and impose a sales and use tax to promote economic development. Such nonprofit development corporations may be created under and a sales and use tax imposed pursuant to Section 4A or Section 4B of the act, and depending upon which section is utilized, there are differences in the authorized uses of the tax proceeds, the oversight procedures regarding project expenditures and the means for adopting and altering the tax by election. Currently under the act, if a sales and use tax was imposed pursuant to Section 4B for a limited duration or a limited purpose, there is no mechanism for a city to later allow the voters of the city to extend such tax or change the authorized purposes for such tax. HB 3268 would solve this problem by authorizing the voters of the city to extend or change the purposes of a sales and use tax by majority vote, in the same manner that 4A corporations are able to do so.

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

SECTION 1. Amends Section 4B(e) of the Development Corporation Act of 1979 to allow a city that has imposed a sales and use tax for a limited time frame to later extend the period of the tax's imposition or reimpose the tax if authorized by a majority of the qualified voters of the city voting in an election called and held for that purpose. Additionally, this Act allows a city that has imposed a sales and use tax for specific projects to later perform other projects as may be approved by a majority of the qualified voters of the city voting in an election called and held for that purpose.

SECTION 2. LEGISLATIVE FINDINGS. Sets forth legislative findings regarding the fulfillment of procedural requirements with respect to the notice, introduction and passage of this Act.

SECTION 3. EFFECTIVE DATE. Provides that the effective date will be upon passage or September 1, 2007.

EFFECTIVE DATE

This Act takes effect upon passage if it receives a two-thirds majority vote in each house or September 1, 2007.