BILL ANALYSIS

Senate Research Center

S.B. 1089
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Business & Commerce
5/25/2007
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, some confusion exists relating to the revenue collected by corporations created under Section 4A (Cities Located in Counties with Population of 500,000 or Fewer, or with Population of Fewer than 50,000 in Certain Cases) or 4B (Corporation in City Located in County With Population of 500,000 or More, or 400,000 or More; Application of Section 4A) of the Development Corporation Act of 1979, and whether that revenue is authorized for use for transit purposes. Clarification of this confusion may aid major metropolitan areas in securing transit funding to lessen traffic congestion and air pollution.

S.B. 1089 authorizes economic development corporations created under Section 4A or 4B of the Development Corporation Act of 1979 to use collected revenue for certain transit purposes.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) by adding Section 38A, as follows:

> Sec. 38A. Authorizes a corporation created under Section 4A (Cities Located in Counties with Population of 500,000 or Fewer, or with Population of Fewer than 50,000 in Certain Cases) or Section 4B (Corporation in City Located in County With Population of 500,000 or More, or 400,000 or More; Application of Section 4A), Development Corporation Act of 1979, as authorized by the corporation's board of directors, to spend tax revenue received under the Development Corporation Act of 1979 for the development, improvement, expansion, or maintenance of facilities related to the operation of commuter rail, light rail, or motor buses.

SECTION 2. Effective date: upon passage or September 1, 2007.