

BILL ANALYSIS

S.B. 1089
By: Shapiro
Transportation
Committee Report (Unamended)

BACKGROUND AND PURPOSE

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.

As proposed, 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

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.