

1-1 By: Rose (Senate Sponsor - Hegar) H.B. No. 2308
1-2 (In the Senate - Received from the House April 26, 2007;
1-3 May 1, 2007, read first time and referred to Subcommittee on
1-4 Emerging Technologies and Economic Development; May 19, 2007,
1-5 reported adversely, with favorable Committee Substitute from
1-6 Committee on Business and Commerce by the following vote: Yeas 6,
1-7 Nays 0; May 19, 2007, sent to printer.)

1-8 COMMITTEE SUBSTITUTE FOR H.B. No. 2308 By: Eltife

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to the requirement that certain economic development
1-12 corporations hold a hearing before spending funds to undertake a
1-13 project and to the authority of those economic development
1-14 corporations to allow voters to elect to limit the period during
1-15 which or the projects for which the tax is imposed.

1-16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-17 SECTION 1. Section 4B, Development Corporation Act of 1979
1-18 (Article 5190.6, Vernon's Texas Civil Statutes), is amended by
1-19 adding Subsection (e-2) to read as follows:

1-20 (e-2) At an election called and held under Subsection (d) of
1-21 this section, the eligible city may also allow the voters to vote on
1-22 a ballot proposition that limits the length of time that a sales and
1-23 use tax may be imposed. An eligible city that imposes a tax for a
1-24 limited time under this subsection may later extend the period of
1-25 the tax's imposition or reimpose the tax only if the extension or
1-26 reimposition is authorized by a majority of the qualified voters of
1-27 the city voting in an election called and held for that purpose in
1-28 the same manner as an election held under Section 4A(n) of this Act.
1-29 Additionally, at an election held under Subsection (d) of this
1-30 section, the city may also allow the voters to vote on a ballot
1-31 proposition that limits the use of the sales and use tax to a
1-32 specific project. A corporation that has been created to perform a
1-33 specific project as provided by this subsection may retain its
1-34 corporate existence and perform other projects as may be approved
1-35 by the voters of the city under an election called and held for that
1-36 purpose in the same manner as Section 4A(r) of this Act provides for
1-37 an election held under Section 4A(d) of this Act. Before expending
1-38 funds to undertake a project, a corporation shall hold a public
1-39 hearing as otherwise provided by this section.

1-40 SECTION 2. Section 4B(n), Development Corporation Act of
1-41 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
1-42 read as follows:

1-43 (n) Before expending funds to undertake a project, a
1-44 corporation under this section shall hold at least one public
1-45 hearing on the proposed project. A corporation the creation of
1-46 which was authorized by an eligible city with a population of less
1-47 than 20,000 is not required to hold a public hearing under this
1-48 subsection if the proposed project is defined by Section 2 of this
1-49 Act.

1-50 SECTION 3. This Act takes effect immediately if it receives
1-51 a vote of two-thirds of all the members elected to each house, as
1-52 provided by Section 39, Article III, Texas Constitution. If this
1-53 Act does not receive the vote necessary for immediate effect, this
1-54 Act takes effect September 1, 2007.

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