

AN ACT

relating to projects that may be undertaken by development corporations for the development, retention, or expansion of certain airport facilities.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2(11), Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes), as amended by Chapters 1, 1048, and 1148, Acts of the 79th Legislature, Regular Session, 2005, is reenacted and amended to read as follows:

(11) "Project" shall mean:

(A) the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements (one or more) that are for the creation or retention of primary jobs and that are found by the board of directors to be required or suitable for the development, retention, or expansion of manufacturing and industrial facilities, research and development facilities, military facilities, including closed or realigned military bases, transportation facilities (including but not limited to airports, hangars, airport maintenance and repair facilities, air cargo facilities, related infrastructure located on or adjacent to an airport facility, ports, mass commuting facilities, and parking facilities), sewage or solid waste disposal facilities, recycling facilities, air or water pollution control facilities, facilities for the furnishing of water to the general public, distribution

1 centers, small warehouse facilities capable of serving as
2 decentralized storage and distribution centers, primary job
3 training facilities for use by institutions of higher education,
4 and regional or national corporate headquarters facilities;

5 (B) job training required or suitable for the
6 promotion of development and expansion of business enterprises and
7 other enterprises described by this Act, as provided by Section 38
8 of this Act;

9 (C) expenditures found by the board of directors
10 to be required or suitable for infrastructure necessary to promote
11 or develop new or expanded business enterprises limited to streets
12 and roads, rail spurs, water and sewer utilities, electric
13 utilities, gas utilities, drainage, site improvements, and related
14 improvements, telecommunications and Internet improvements, and
15 beach remediation along the Gulf of Mexico;

16 (D) the infrastructure, improvements, land
17 acquisition, buildings, or expenditures that:

18 (i) [~~(A)~~] are for the creation or retention
19 of primary jobs or jobs that are included in North American Industry
20 Classification System (NAICS) sector number 926120, Regulation and
21 Administration of Transportation Programs, for the corresponding
22 index entry for Coast Guard (except the Coast Guard Academy); and

23 (ii) [~~(B)~~] are found by the board of
24 directors to be required or suitable for:

25 (a) [~~(i)~~] promoting or supporting a
26 military base in active use to prevent the possible future closure
27 or realignment of the base;

1 (b) [~~(ii)~~] attracting new military
2 missions to a military base in active use; or

3 (c) [~~(iii)~~] redeveloping a military
4 base that has been closed or realigned, including a military base
5 closed or realigned according to the recommendation of the Defense
6 Base Closure and Realignment Commission under the Defense Base
7 Closure and Realignment Act of 1990 (10 U.S.C. Section 2687 note);

8 (E) land, buildings, equipment, facilities,
9 improvements, and expenditures found by the board of directors to
10 be required or suitable for use for a career center, if the area to
11 be benefited by the career center is not located in the taxing
12 jurisdiction of a junior college district;

13 (F) for a corporation created by a city any part
14 of which is located within 25 miles of an international border, the
15 land, buildings, facilities, infrastructure, and improvements
16 that:

17 (i) the board of directors finds are
18 required or suitable for the development or expansion of airport
19 facilities; or

20 (ii) are undertaken by the corporation if
21 the city that created the corporation has, at the time the project
22 is approved by the corporation as provided by this Act:

23 (a) a population of less than 50,000;
24 or

25 (b) an average rate of unemployment
26 that is greater than the state average rate of unemployment during
27 the 12-month period for which data is available that immediately

1 precedes the date the project is approved; or

2 (G) expenditures found by the board of directors
3 to be required or suitable for infrastructure necessary to promote
4 or develop new or expanded business enterprises, including
5 airports, ports, and sewer or solid waste disposal facilities, if
6 the corporation:

7 (i) is created by a city wholly or partly
8 located in a county that is bordered by the Rio Grande, has a
9 population of at least 500,000, and has wholly or partly within its
10 boundaries at least four cities that each have a population of at
11 least 25,000; and

12 (ii) does not support a project, as defined
13 by this subdivision, with sales and use tax revenue collected under
14 Section 4A or 4B of this Act.

15 SECTION 2. Section 4B(a)(2), Development Corporation Act of
16 1979 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to
17 read as follows:

18 (2) "Project" means land, buildings, equipment,
19 facilities, expenditures, and improvements included in the
20 definition of that term under Section 2 of this Act, and includes
21 job training as provided by Section 38 of this Act. For purposes of
22 this section, the term includes recycling facilities, and land,
23 buildings, equipment, facilities, and improvements found by the
24 board of directors to:

25 (A) be required or suitable for use for
26 professional and amateur (including children's) sports, athletic,
27 entertainment, tourist, convention, and public park purposes and

1 events, including stadiums, ball parks, auditoriums,
2 amphitheaters, concert halls, parks and park facilities, open space
3 improvements, museums, exhibition facilities, and related store,
4 restaurant, concession, and automobile parking facilities, related
5 area transportation facilities, and related roads, streets, and
6 water and sewer facilities, and other related improvements that
7 enhance any of those items;

8 (B) promote or develop new or expanded business
9 enterprises that create or retain primary jobs, including a project
10 to provide public safety facilities, streets and roads, drainage
11 and related improvements, demolition of existing structures,
12 general municipally owned improvements, as well as any improvements
13 or facilities that are related to any of those projects and any
14 other project that the board in its discretion determines promotes
15 or develops new or expanded business enterprises that create or
16 retain primary jobs;

17 (C) be required or suitable for the promotion of
18 development and expansion of affordable housing, as defined by 42
19 U.S.C. Section 12745;

20 (D) be required or suitable for the development
21 or improvement of water supply facilities, including dams,
22 transmission lines, well field developments, and other water supply
23 alternatives;

24 (E) be required or suitable for the development
25 and institution of water conservation programs, including
26 incentives to install water-saving plumbing fixtures, educational
27 programs, brush control programs, and programs to replace

1 malfunctioning or leaking water lines and other water facilities;
2 [~~or~~]

3 (F) be required or suitable for the development,
4 retention, or expansion of business enterprises if the project is
5 undertaken by a corporation created by an eligible city:

6 (i) that has not for each of the preceding
7 two fiscal years received more than \$50,000 in revenues from sales
8 and use taxes imposed under this section; and

9 (ii) the governing body of which has
10 authorized the project by adopting a resolution only after giving
11 the resolution at least two separate readings conducted at least
12 one week apart; or

13 (G) be required or suitable for the development
14 or expansion of airport facilities, including hangars, airport
15 maintenance and repair facilities, air cargo facilities, and
16 related infrastructure located on or adjacent to an airport
17 facility, if the project is undertaken by a corporation created by
18 an eligible city:

19 (i) that enters into a development
20 agreement with an entity in which the entity acquires a leasehold or
21 other possessory interest from the corporation and is authorized to
22 sublease the entity's interest for other projects authorized by
23 this subdivision; and

24 (ii) the governing body of which has
25 authorized the development agreement by adopting a resolution at a
26 meeting called as authorized by law.

27 SECTION 3. Section 32, Development Corporation Act of 1979

1 (Article 5190.6, Vernon's Texas Civil Statutes), is amended to read
2 as follows:

3 Sec. 32. The legislature finds, determines, and declares
4 that the activities of a corporation created and organized under
5 the provisions of this Act affect all the people of the unit under
6 whose auspices it is created by assuming to a material extent that
7 which might otherwise become the obligation or duty of such unit,
8 and therefore such corporation is an institution of purely public
9 charity within the tax exemption of Article VIII, Section 2, of the
10 Texas Constitution. However, a corporation is exempt from the
11 franchise tax imposed by Chapter 171, Tax Code, only if the
12 corporation is exempted by that chapter. The legislature further
13 finds, determines, and declares that the grants, loans,
14 expenditures, and tax exemptions authorized by this Act in
15 connection with a project and authorized by a corporation in
16 accordance with this Act, constitute the making of loans or grants
17 of public money or constitute other actions authorized by Section
18 52-a, Article III, Texas Constitution.

19 SECTION 4. This Act takes effect immediately if it receives
20 a vote of two-thirds of all the members elected to each house, as
21 provided by Section 39, Article III, Texas Constitution. If this
22 Act does not receive the vote necessary for immediate effect, this
23 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 3440 was passed by the House on April 27, 2007, by the following vote: Yeas 133, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3440 on May 25, 2007, by the following vote: Yeas 143, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3440 was passed by the Senate, with amendments, on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor