

BILL ANALYSIS

H.B. 3302
By: Reynolds
Economic & Small Business Development
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Observers note that the proceeds of an economic development sales tax imposed by a Type A corporation are limited to economic development projects that primarily promote new and expanded industrial and manufacturing activities. Many small Texas cities with a Type A corporation report difficulty in attracting these activities because of their limited resources. It is noted that these cities, some of which have reportedly already authorized a Type B corporation, would welcome the opportunity to use their economic development sales tax revenue to promote a wide range of civic and commercial projects that a Type B corporation may undertake. To help these cities, H.B. 3302 specifies the authority of a Type A economic development corporation to undertake certain categories of projects in certain cities.

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

H.B. 3302 amends the Local Government Code to authorize a Type A corporation the creation of which was authorized by a municipality that has also authorized the creation of a Type B corporation and that has a population of 7,500 or less, if permitted by ordinance of the authorizing municipality, to undertake any project that a Type B corporation, the creation of which was authorized by the same municipality, is authorized to take. The bill authorizes the governing body of an authorizing municipality by ordinance to revoke any authority granted to a Type A corporation under the bill's provisions and specifies that the revocation does not affect the authority of a corporation to complete a project already undertaken or the obligation to repay a debt incurred in connection with a project.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2011.