

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Reynolds, Zerwas

H.B. No. 3302

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the authority of certain Type A economic development  
3 corporations to undertake certain categories of projects.

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

5 SECTION 1. Subchapter D, Chapter 504, Local Government  
6 Code, is amended by adding Section 504.171 to read as follows:

7 Sec. 504.171. AUTHORITY OF CERTAIN CORPORATIONS TO  
8 UNDERTAKE TYPE B PROJECTS. (a) This section applies only to a Type  
9 A corporation the creation of which was authorized by a  
10 municipality:

11 (1) that has also authorized the creation of a Type B  
12 corporation; and

13 (2) that has a population of 7,500 or less.

14 (b) Notwithstanding Section 504.152, if permitted by  
15 ordinance of the authorizing municipality, a Type A corporation to  
16 which this section applies may undertake any project that a Type B  
17 corporation, the creation of which was authorized by the same  
18 municipality, may undertake under Chapter 505.

19 (c) The governing body of an authorizing municipality may by  
20 ordinance revoke any authority granted to a Type A corporation  
21 under Subsection (b). A revocation under this subsection does not  
22 affect the authority of a corporation to complete a project already  
23 undertaken or the obligation to repay any debt incurred in  
24 connection with a project under Subsection (b).

1           SECTION 2. This Act takes effect immediately if it receives  
2 a vote of two-thirds of all the members elected to each house, as  
3 provided by Section 39, Article III, Texas Constitution. If this  
4 Act does not receive the vote necessary for immediate effect, this  
5 Act takes effect September 1, 2011.

**ADOPTED**

FLOOR AMENDMENT NO. 1

MAY 18 2011

BY:

*J. J. King*

*Atty. Gen.*  
Secretary of the Senate

Amend H.B. 3302 (Senate Committee Printing) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION \_\_\_\_ . Section 504.103(a), Local Government Code, is amended to read as follows:

(a) Except as otherwise provided by this section, a Type A corporation may not undertake a project the primary purpose of which is to provide:

- (1) [~~a transportation facility;~~
- [~~2~~] a solid waste disposal facility;
- (2) [~~3~~] a sewage facility;
- (3) [~~4~~] a facility for furnishing water to the general public; or
- (4) [~~5~~] an air or water pollution control facility.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 18, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3302** by Reynolds (Relating to the authority of certain Type A economic development corporations to undertake certain categories of projects. ), **As Passed 2nd House**

**No fiscal implication to the State is anticipated.**

The bill would amend Section 504.103(a) of the Local Government Code to prohibit a Type A corporation from undertaking a project for the primary purpose of providing a solid waste disposal or sewage facility; a public water facility; or an air or water pollution control facility, except as provided by this section.

The bill would authorize certain Type A corporations to undertake any project a Type B corporation is authorized to undertake. The authorizing municipality would have the ability to revoke the distinction for an individual corporation. The provisions of the bill would apply only to a city with a population of 7,500 or less that has adopted both the 4A and 4B corporations.

**Local Government Impact**

The Texas Municipal League (TML) reported that under current law, cities can adopt, by election, either 4A or 4B Economic Development Corporations (corporation). The types of projects that can be undertaken by a 4B corporation are broader than those of a 4A corporation and under the provisions of the bill, a 4A corporation would be authorized to undertake the same projects as a 4B corporation. The fiscal impact to cities is not anticipated to be significant.

**Source Agencies:**

**LBB Staff:** JOB, AG, TP

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 10, 2011**

**TO:** Honorable Mike Jackson, Chair, Senate Committee on Economic Development

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE:** HB3302 by Reynolds (Relating to the authority of certain Type A economic development corporations to undertake certain categories of projects.), **As Engrossed**

**No fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code to authorize certain Type A corporations to undertake any project a Type B corporation is authorized to undertake. The authorizing municipality would have the ability to revoke the distinction for an individual corporation. The provisions of the bill would apply only to a city with a population of 7,500 or less that has adopted both the 4A and 4B corporations.

**Local Government Impact**

The Texas Municipal League (TML) reported that under current law, cities can adopt, by election, either 4A or 4B Economic Development Corporations (corporation). The types of projects that can be undertaken by a 4B corporation are broader than those of a 4A corporation and under the provisions of the bill, a 4A corporation would be authorized to undertake the same projects as a 4B corporation. The fiscal impact to cities is not anticipated to be significant.

**Source Agencies:**

**LBB Staff:** JOB, AG, TP

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 4, 2011**

**TO:** Honorable John Davis, Chair, House Committee on Economic & Small Business  
Development

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB3302** by Reynolds (Relating to the authority of certain Type A economic development corporations to undertake certain categories of projects.), **As Introduced**

**No fiscal implication to the State is anticipated.**

The bill would amend the Local Government Code to authorize certain Type A corporations to undertake any project a Type B corporation is authorized to undertake. The authorizing municipality would have the ability to revoke the distinction for an individual corporation. The provisions of the bill would apply only to a city with a population of 7,500 or less that has adopted both the 4A and 4B corporations.

**Local Government Impact**

The Texas Municipal League (TML) reported that under current law, cities can adopt, by election, either 4A or 4B Economic Development Corporations (corporation). The types of projects that can be undertaken by a 4B corporation are broader than those of a 4A corporation and under the provisions of the bill, a 4A corporation would be authorized to undertake the same projects as a 4B corporation. The fiscal impact to cities is not anticipated to be significant.

**Source Agencies:**

**LBB Staff:** JOB, AG, TP