

By: Schaefer

H.B. No. 14

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing certain general infrastructure projects to
3 be undertaken by Type B economic development corporations.

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

5 SECTION 1. Section 501.004(a), Local Government Code, is
6 amended to read as follows:

7 (a) The legislature finds that:

8 (1) the present and prospective right to gainful
9 employment and the general welfare of the people of this state
10 require as a public purpose the promotion and development of new and
11 expanded business enterprises and of job training;

12 (2) the existence, development, and expansion of
13 business, commerce, industry, higher education, and job training
14 are essential to the economic growth of this state and to the full
15 employment, welfare, and prosperity of residents of this state;

16 (3) the assistance provided by corporations in
17 promoting higher education opportunities encourages and fosters
18 the development and diversification of the economy of this state
19 and the elimination of unemployment and underemployment in this
20 state;

21 (4) the means authorized by this subtitle and the
22 assistance provided by this subtitle, especially with respect to
23 financing, are in the public interest and serve a public purpose of
24 this state in promoting the welfare of the residents of this state

1 economically by securing and retaining business enterprises and as
2 a result maintaining a higher level of employment, economic
3 activity, and stability;

4 (5) community industrial development corporations in
5 this state have invested substantial money in successful industrial
6 development projects and have experienced difficulty in
7 undertaking additional industrial development projects because of
8 the partial inadequacy of the community industrial development
9 corporations' money or money potentially available from local
10 subscription sources and the limitations of local financial
11 institutions in providing additional and sufficiently large first
12 mortgage loans; ~~and~~

13 (6) communities in this state have been at a critical
14 disadvantage in competing with communities in other states for the
15 location or expansion of business enterprises because of the
16 availability and prevalent use in all other states of financing and
17 other special incentives, and, for that reason, the issuance of
18 revenue bonds under this subtitle by a corporation on behalf of
19 political subdivisions of this state for the promotion and
20 development of new and expanded business enterprises to provide and
21 encourage employment and the public welfare is in the public
22 interest and is a public purpose; and

23 (7) the development, improvement, maintenance, and
24 expansion of the general infrastructure of communities in this
25 state are essential to the development and diversification of the
26 economy of this state and to the economic growth of this state.

27 SECTION 2. The heading to Subchapter D, Chapter 505, Local

1 Government Code, is amended to read as follows:

2 SUBCHAPTER D. AUTHORIZATION FOR ADDITIONAL [AUTHORIZED] PROJECTS

3 SECTION 3. Subchapter D, Chapter 505, Local Government
4 Code, is amended by adding Section 505.162 to read as follows:

5 Sec. 505.162. CERTAIN GENERAL INFRASTRUCTURE PROJECTS;
6 ELECTION. (a) In this chapter, "project" includes expenditures
7 that are found by the board of directors to be required or suitable
8 for general infrastructure, limited to the development,
9 improvement, maintenance, or expansion of:

10 (1) streets and roads;

11 (2) sewage facilities; or

12 (3) water supply facilities for the general public.

13 (b) Notwithstanding any other provision of this subtitle, a
14 Type B corporation may not use proceeds from the sales and use tax
15 or other corporate revenues to undertake the category of projects
16 described by Subsection (a) unless the use of tax proceeds or other
17 corporate revenues for that purpose is authorized by an election as
18 provided by this section.

19 (c) The governing body of a Type B corporation's authorizing
20 municipality by resolution may order an election on the question of
21 approving the use of sales and use tax proceeds and other corporate
22 revenues for the category of projects described by Subsection (a).
23 The resolution must be passed by majority vote of all members of the
24 municipality's governing body and entered in its minutes.

25 (d) The governing body of a Type B corporation's authorizing
26 municipality shall order an election on the question described by
27 Subsection (c) on receipt of a petition requesting the election

1 that is signed by a number of registered voters of the municipality
2 equal to at least 10 percent of the number of voters participating
3 in the last general election held in the municipality.

4 (e) An election under this section must be held on the first
5 authorized uniform election date prescribed by Chapter 41, Election
6 Code, that occurs after the date the election is ordered and that
7 allows sufficient time to comply with other requirements of law.

8 (f) The ballot in an election under this section shall be
9 printed to provide for voting for or against the proposition:
10 "Adopting the use of Type B corporation funds for streets and roads,
11 sewage facilities, or water supply facilities for the general
12 public in the City of _____."

13 (g) If a majority of the voters voting on the issue do not
14 approve the use of sales and use tax proceeds and other corporate
15 revenues for the category of projects described by Subsection (a)
16 at an election under this section, another election concerning the
17 use of tax proceeds and revenues for the same category of projects
18 may not be held before the second anniversary of the date of the
19 most recent election disapproving the use of tax proceeds and
20 revenues for that category of projects.

21 SECTION 4. This Act takes effect immediately if it receives
22 a vote of two-thirds of all the members elected to each house, as
23 provided by Section 39, Article III, Texas Constitution. If this
24 Act does not receive the vote necessary for immediate effect, this
25 Act takes effect on the 91st day after the last day of the
26 legislative session.