

By: Schaefer, Capriglione, Lucio III

H.B. No. 1935

Substitute the following for H.B. No. 1935:

By: Bell

C.S.H.B. No. 1935

A BILL TO BE ENTITLED

AN ACT

relating to authorizing certain general infrastructure projects to be undertaken by economic development corporations.

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

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

(a) The legislature finds that:

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

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

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

(4) the means authorized by this subtitle and the assistance provided by this subtitle, especially with respect to financing, are in the public interest and serve a public purpose of 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. Subchapter C, Chapter 501, Local Government

Code, is amended by adding Section 501.1031 to read as follows:

Sec. 501.1031. CERTAIN GENERAL INFRASTRUCTURE PROJECTS. In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for general infrastructure, limited to the development, improvement, maintenance, or expansion of:

(1) streets and roads;

(2) sewage facilities; or

(3) water supply facilities for the general public.

SECTION 3. Section 504.103(a), Local Government Code, is amended to read as follows:

(a) Except as otherwise provided by this section or Section 501.1031, 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;

(3) a sewage facility;

(4) a facility for furnishing water to the general public; or

(5) an air or water pollution control facility.

SECTION 4. Subchapter D, Chapter 504, Local Government Code, is amended by adding Section 504.172 to read as follows:

Sec. 504.172. AUTHORITY TO UNDERTAKE CERTAIN GENERAL INFRASTRUCTURE PROJECTS; ELECTION. (a) Notwithstanding any other provision of this subtitle, a Type A corporation may not use proceeds from the sales and use tax or other corporate revenues to undertake the category of projects described by Section 501.1031

1 unless the use of tax proceeds or other corporate revenues for that  
2 purpose is authorized by an election as provided by this section.

3 (b) The governing body of a Type A corporation's authorizing  
4 municipality by resolution may order an election on the question of  
5 approving the use of sales and use tax proceeds and other corporate  
6 revenues for the category of projects described by Section  
7 501.1031. The resolution must be passed by majority vote of all  
8 members of the municipality's governing body and entered in its  
9 minutes.

10 (c) The governing body of a Type A corporation's authorizing  
11 municipality shall order an election on the question described by  
12 Subsection (b) on receipt of a petition requesting the election  
13 that is signed by a number of registered voters of the municipality  
14 equal to at least 10 percent of the number of voters participating  
15 in the last general election held in the municipality.

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

20 (e) The ballot in an election under this section shall be  
21 printed to provide for voting for or against the proposition:  
22 "Adopting the use of Type A corporation funds for streets and roads,  
23 sewage facilities, or water supply facilities for the general  
24 public in the City of \_\_\_\_\_."

25 (f) If a majority of the voters voting on the issue do not  
26 approve the use of sales and use tax proceeds and other corporate  
27 revenues for the category of projects described by Section 501.1031

1 at an election under this section, another election concerning the  
2 use of tax proceeds and revenues for the same category of projects  
3 may not be held before the second anniversary of the date of the  
4 most recent election disapproving the use of tax proceeds and  
5 revenues for that category of projects.

6 SECTION 5. The heading to Subchapter D, Chapter 505, Local  
7 Government Code, is amended to read as follows:

8 SUBCHAPTER D. AUTHORIZATION FOR ADDITIONAL ~~[AUTHORIZED]~~ PROJECTS

9 SECTION 6. Subchapter D, Chapter 505, Local Government  
10 Code, is amended by adding Section 505.162 to read as follows:

11 Sec. 505.162. AUTHORITY TO UNDERTAKE CERTAIN GENERAL  
12 INFRASTRUCTURE PROJECTS; ELECTION. (a) Notwithstanding any other  
13 provision of this subtitle, a Type B corporation may not use  
14 proceeds from the sales and use tax or other corporate revenues to  
15 undertake the category of projects described by Section 501.1031  
16 unless the use of tax proceeds or other corporate revenues for that  
17 purpose is authorized by an election as provided by this section.

18 (b) The governing body of a Type B corporation's authorizing  
19 municipality by resolution may order an election on the question of  
20 approving the use of sales and use tax proceeds and other corporate  
21 revenues for the category of projects described by Section  
22 501.1031. The resolution must be passed by majority vote of all  
23 members of the municipality's governing body and entered in its  
24 minutes.

25 (c) The governing body of a Type B corporation's authorizing  
26 municipality shall order an election on the question described by  
27 Subsection (b) 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 (d) 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 (e) 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 (f) 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 Section 501.1031  
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 7. 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 September 1, 2013.