

By: Smithee

H.B. No. 3838

A BILL TO BE ENTITLED

AN ACT

relating to the procedures required for a Type A economic development corporation to make certain expenditures.

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

SECTION 1. Subchapter C, Chapter 504, Local Government Code, is amended by adding Section 504.108 to read as follows:

Sec. 504.108. PROCEDURES FOR CERTAIN LARGE EXPENDITURES.

(a) A Type A corporation may not make an expenditure in the amount of \$50,000 or more unless:

(1) the corporation first publishes notice of the expenditure on the publicly accessible website of the authorizing municipality or in a newspaper of general circulation in the authorizing municipality; and

(2) the authorizing municipality approves the expenditure, not earlier than the seventh day after the date notice is published under Subdivision (1).

(b) The notice under Subsection (a) must state:

(1) each business entity or other person who will receive money from the corporation for the expenditure; and

(2) each investor or owner with an ownership interest of five percent or more in a business entity described by Subdivision (1).

SECTION 2. Section 504.108, Local Government Code, as added by this Act, applies only to an expenditure made or obligated to be

1 made on or after the effective date of this Act. An expenditure
2 that is made or obligated to be made before the effective date of
3 this Act is governed by the law in effect when the corporation made
4 or first became obligated to make the expenditure, and the former
5 law is continued in effect for that purpose.

6 SECTION 3. This Act takes effect September 1, 2015.