

By: Schaefer

H.B. No. 1636

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. Sections 501.002(15) and (16), Local Government Code, are amended to read as follows:

(15) "Type A corporation" or "Type A economic development corporation" means a corporation governed by Chapter 504.

(16) "Type B corporation" or "Type B economic development corporation" means a corporation governed by Chapter 505.

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 suitable for general infrastructure, limited to the development, improvement, maintenance, or expansion of:

(1) streets and roads;

(2) water supply facilities; or

(3) sewage facilities.

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

1 (a) Except as otherwise provided by this section or Section  
2 501.1031, a Type A economic development corporation may not  
3 undertake a project the primary purpose of which is to provide:

4 (1) a transportation facility;

5 (2) a solid waste disposal facility;

6 (3) a sewage facility;

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

9 (5) an air or water pollution control facility.

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

12 Sec. 504.172. AUTHORITY TO UNDERTAKE CERTAIN GENERAL  
13 INFRASTRUCTURE PROJECTS; ELECTION. (a) Notwithstanding any other  
14 provision of this subtitle, a Type A economic development  
15 corporation may not use proceeds from the sales and use tax or other  
16 corporate revenues to undertake the category of projects described  
17 by Section 501.1031 unless the use of tax proceeds or other  
18 corporate revenues for that purpose is authorized by an election as  
19 provided by this section.

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

27 (c) The governing body of a Type A economic development

1 corporation's authorizing municipality shall order an election on  
2 the question described by Subsection (b) on receipt of a petition  
3 requesting the election that is signed by a number of registered  
4 voters of the municipality equal to at least 10 percent of the  
5 number of voters participating in the last general election held in  
6 the municipality.

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

11 (e) The ballot in an election under this section shall be  
12 printed to provide for voting for or against the proposition:  
13 "Allowing the use of Type A economic development corporation sales  
14 tax funds and other corporate revenues for streets and roads, water  
15 supply facilities, or sewage facilities in the City of \_\_\_\_\_."

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

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

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

21 Sec. 505.162. AUTHORITY TO UNDERTAKE CERTAIN GENERAL  
22 INFRASTRUCTURE PROJECTS; ELECTION. (a) Notwithstanding any other  
23 provision of this subtitle, a Type B economic development  
24 corporation may not use proceeds from the sales and use tax or other  
25 corporate revenues to undertake the category of projects described  
26 by Section 501.1031 unless the use of tax proceeds or other  
27 corporate revenues for that purpose is authorized by an election as

1 provided by this section.

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

9 (c) The governing body of a Type B economic development  
10 corporation's authorizing municipality shall order an election on  
11 the question described by Subsection (b) on receipt of a petition  
12 requesting the election that is signed by a number of registered  
13 voters of the municipality equal to at least 10 percent of the  
14 number of voters participating in the last general election held in  
15 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 "Allowing the use of Type B economic development corporation sales  
23 tax funds and other corporate revenues for streets and roads, water  
24 supply facilities, or sewage facilities in the City of \_\_\_\_\_."

25 SECTION 7. This Act takes effect immediately if it receives  
26 a vote of two-thirds of all the members elected to each house, as  
27 provided by Section 39, Article III, Texas Constitution. If this

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1 Act does not receive the vote necessary for immediate effect, this

2 Act takes effect September 1, 2017.