

By: Patterson

H.B. No. 1221

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Subchapter C, Chapter 501, Local Government Code, is amended by adding Sections 501.1031 and 501.108 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.

Sec. 501.108. PROJECTS RELATED TO PUBLIC SAFETY. (a) In this subtitle, "project" includes expenditures that are found by the board of directors to be required or suitable for improving, enhancing, or supporting public safety, including:

- (1) expenditures for improving public safety facilities;
- (2) expenditures for public safety equipment and for first responders and other personnel; and
- (3) other expenditures that enhance the level of

1 services provided by public safety facilities.

2 (b) For purposes of this section, "first responder" has the
3 meaning assigned by Section 421.095, Government Code.

4 SECTION 2. Section 504.103(a), Local Government Code, is
5 amended to read as follows:

6 (a) Except as otherwise provided by this section or Section
7 501.1031, a Type A corporation may not undertake a project the
8 primary purpose of which is to provide:

- 9 (1) a transportation facility;
- 10 (2) a solid waste disposal facility;
- 11 (3) a sewage facility;
- 12 (4) a facility for furnishing water to the general
13 public; or
- 14 (5) an air or water pollution control facility.

15 SECTION 3. Subchapter D, Chapter 504, Local Government
16 Code, is amended by adding Section 504.172 to read as follows:

17 Sec. 504.172. AUTHORITY TO UNDERTAKE CERTAIN GENERAL
18 INFRASTRUCTURE PROJECTS OR PUBLIC SAFETY PROJECTS; ELECTION.

19 (a) Notwithstanding any other provision of this subtitle, a Type A
20 corporation may not use proceeds from the sales and use tax or other
21 corporate revenues to undertake the category of projects described
22 by Section 501.1031 or the projects described by Section 501.108
23 unless the use of tax proceeds or other corporate revenues for those
24 purposes is authorized by an election as provided by this section.

25 (b) The governing body of a Type A corporation's authorizing
26 municipality by resolution may order an election on the question of
27 approving the use of sales and use tax proceeds and other corporate

1 revenues for:

2 (1) the category of general infrastructure projects
3 described by Section 501.1031; or

4 (2) the public safety projects described by Section
5 501.108.

6 (c) A resolution ordering an election under Subsection (b)
7 must be passed by majority vote of all members of the governing body
8 of the corporation's authorizing municipality and entered in its
9 minutes.

10 (d) The governing body of a Type A corporation's authorizing
11 municipality shall order an election on the question described by
12 Subsection (b)(1) or (2) on receipt of a petition requesting the
13 election that is signed by a number of registered voters of the
14 municipality equal to at least 10 percent of the number of voters
15 participating in the last general election held in the
16 municipality.

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

21 (f) The ballot in an election under this section on the
22 question described by Subsection (b)(1) shall be printed to provide
23 for voting for or against the proposition: "Allowing the use of
24 Type A corporation sales tax funds and other corporate revenues for
25 streets and roads, water supply facilities, or sewage facilities in
26 the City of _____."

27 (g) The ballot in an election under this section on the

1 question described by Subsection (b)(2) shall be printed to provide
2 for voting for or against the proposition: "Allowing the use of Type
3 A corporation sales tax funds and other corporate revenues for
4 improving, enhancing, or supporting public safety in the City of
5 _____."

6 SECTION 4. 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 5. 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 OR PUBLIC SAFETY PROJECTS; ELECTION.

13 (a) Notwithstanding any other provision of this subtitle, a Type B
14 corporation may not use proceeds from the sales and use tax or other
15 corporate revenues to undertake the category of projects described
16 by Section 501.1031 or the projects described by Section 501.108
17 unless the use of tax proceeds or other corporate revenues for those
18 purposes is authorized by an election as provided by this section.

19 (b) 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:

23 (1) the category of general infrastructure projects
24 described by Section 501.1031; or

25 (2) the public safety projects described by Section
26 501.108.

27 (c) A resolution ordering an election under Subsection (b)

1 must be passed by majority vote of all members of the governing body
2 of the corporation's authorizing municipality and entered in its
3 minutes.

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

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

15 (f) The ballot in an election under this section on the
16 question described by Subsection (b)(1) shall be printed to provide
17 for voting for or against the proposition: "Allowing the use of
18 Type B corporation sales tax funds and other corporate revenues for
19 streets and roads, water supply facilities, or sewage facilities in
20 the City of _____."

21 (g) The ballot in an election under this section on the
22 question described by Subsection (b)(2) shall be printed to provide
23 for voting for or against the proposition: "Allowing the use of Type
24 B corporation sales tax funds and other corporate revenues for
25 improving, enhancing, or supporting public safety in the City of
26 _____."

27 SECTION 6. This Act takes effect immediately if it receives

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1 a vote of two-thirds of all the members elected to each house, as
2 provided by Section 39, Article III, Texas Constitution. If this
3 Act does not receive the vote necessary for immediate effect, this
4 Act takes effect September 1, 2019.