

## **BILL ANALYSIS**

H.B. 2404  
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Ways & Means  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Concerns have been raised regarding the ability of the public to access and evaluate information relating to certain economic development agreements entered into specifically under Chapters 380 and 381 of the Local Government Code. H.B. 2404 seeks to provide additional transparency and increase accessibility to these agreements by creating a statewide database containing information regarding all local development agreements in Texas.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the comptroller of public accounts in SECTION 1 of this bill.

### **ANALYSIS**

H.B. 2404 amends the Government Code to require the comptroller of public accounts, not later than September 1, 2022, to create and make accessible on the comptroller's website a database to be known as the Chapter 380 and 381 Agreement Database that contains information regarding all local development agreements in Texas under the applicable chapters of the Local Government Code. The bill sets out the information the database must include for each agreement and authorizes the comptroller to consult with the appropriate officer or other representative of each local government that enters into an applicable agreement to obtain the information necessary to operate and update the database. The bill specifies that "local government" includes a municipality, a county, a county industrial commission, and a county board of development.

H.B. 2404 requires the comptroller to enter the applicable information into the database for public access not later than the 15th business day after the date the comptroller receives the information from the providing local government. The information, including a copy of the agreement, must remain accessible to the public through the database during the period the agreement is in effect, and the comptroller may not charge a fee for public access. The bill authorizes the comptroller to establish procedures and adopt rules to implement the creation and provision of the database. For each applicable agreement that is in effect on the bill's effective date, the local government that entered into the agreement is required to submit to the comptroller, not later than January 1, 2022, the applicable agreement information and any other information the comptroller considers necessary to operate and update the database. The comptroller must publish that information on the comptroller's website not later than September 1, 2022.

H.B. 2404 makes a local government that enters into an agreement, but has not complied with a requirement to provide information about the agreement to the comptroller, liable to the state for a \$1,000 civil penalty. The bill requires the comptroller to send a noncompliant local government a written notice that describes the required information and informs the local government that it will be subject to the penalty if the information is not provided on or before the 30th day after the notice date. The bill authorizes the attorney general to sue to collect the penalty and establishes a defense to such an action for a local government that provided the required information or documents to the extent that the information or documents are not exempt from disclosure or are not confidential under state public information law.

H.B. 2404 amends the Local Government Code to require a local government that enters into, amends, or renews an applicable agreement, not later than the seventh day after the date of that action, to submit to the comptroller the information required for the database in a form and manner prescribed by the comptroller. If the local government maintains a website, the local government is required to provide on that website a direct link to the location of the agreement information published on the comptroller's website.

**EFFECTIVE DATE**

September 1, 2021.