

## **BILL ANALYSIS**

Senate Research Center  
87R24238 MP-F

C.S.H.B. 2404  
By: Meyer; Burrows (Zaffirini)  
Natural Resources & Economic Development  
5/11/2021  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Concerns have been raised regarding the ability of the public to access and evaluate information relating to 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.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 2404 amends current law relating to the creation and maintenance of a database of information regarding certain local economic development agreements and provides a civil penalty.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Comptroller of Public Accounts of the State of Texas in SECTION 1 (Section 403.0246, Government Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 403, Government Code, by adding Sections 403.0246 and 403.0247, as follows:

Sec. 403.0246. LOCAL DEVELOPMENT AGREEMENT DATABASE. (a) Defines "business day," "local development agreement," and "local government."

(b) Requires the Comptroller of Public Accounts of the State of Texas (comptroller) to create and make accessible on the Internet a database, to be known as the Chapter 380 and 381 Agreement Database, that contains information regarding all local development agreements in this state.

(c) Requires that the database, for each local development agreement described by Subsection (b), include the name of the local government that entered into the agreement, a numerical code assigned to the local government by the comptroller, the address of the local government's administrative offices and public contact information, the name of the appropriate officer or other person representing the local government and that person's contact information, the name of any entity that entered into the agreement with the local government, the date on which the agreement went into effect and the date on which the agreement expires, the focus or scope of the agreement, an electronic copy of the agreement, and the name and contact information of the individual reporting the information to the comptroller.

(d) Authorizes the comptroller to consult with the appropriate officer of, or other person representing, each local government that enters into a local development agreement to obtain the information necessary to operate and update the database.

(e) Requires the comptroller to enter into the database for access by the public the information described by Subsection (c) not later than the 15th business day after the date the comptroller receives the information from the providing local government. Requires that the information, including a copy of the agreement, remain accessible to the public through the database during the period the agreement is in effect.

(f) Prohibits the comptroller from charging a fee to the public to access the database.

(g) Authorizes the comptroller to establish procedures and adopt rules to implement this section.

Sec. 403.0247. NONCOMPLIANCE; CIVIL PENALTY. (a) Defines "local development agreement."

(b) Requires the comptroller, if a local government that enters into a local development agreement has not complied with a requirement to provide information under Section 403.0246 of this code or Section 380.004 or 381.005, Local Government Code, to send a notice to the local government. Requires that the notice be in writing, describe the information that is required to be submitted to the comptroller, and inform the local government that if the information is not provided on or before the 30th day after the date the notice is provided, the local government will be subject to a civil penalty of \$1,000.

(c) Provides that if a local government does not report the required information as prescribed by Subsection (b), the local government is liable to the state for a civil penalty of \$1,000.

(d) Authorizes the attorney general to sue to collect a civil penalty imposed under this section.

(e) Provides that it is a defense to an action brought under this section that the local government provided the required information or documents to the extent the information or documents are not exempt from disclosure or confidential under Chapter 552 (Public Information).

SECTION 2. Amends Chapter 380, Local Government Code, by adding Section 380.004, as follows:

Sec. 380.004. PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Requires a municipality, not later than the 14th day after the date of entering into, amending, or renewing an agreement authorized by Chapter 380 (Miscellaneous Provisions Relating to Municipal Planning and Development), to submit to the comptroller the information described by Section 403.0246(c), Government Code, and any other information the comptroller considers necessary to operate and update the database described by that section.

(b) Requires a municipality to transmit the information required by Subsection (a) in a form and manner prescribed by the comptroller.

(c) Requires a municipality, if the municipality submits an agreement to the comptroller under this section and maintains an Internet website, to provide on the website a direct link to the location of the agreement information published on the comptroller's Internet website.

SECTION 3. Amends Chapter 381, Local Government Code, by adding Section 381.005, as follows:

Sec. 381.005. PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Requires a county, county industrial commission, or development board, as applicable, not later than the 14th day after the date of entering into, amending, or renewing an agreement authorized by Chapter 381 (County Development and Growth), to submit to the comptroller the information described by Section 403.0246(c), Government Code, and any other information the comptroller considers necessary to operate and update the database described by that section.

(b) Requires a county, commission, or board to transmit the information required by Subsection (a) in a form and manner prescribed by the comptroller.

(c) Requires a county, if the county or a commission or board created by the county submits an agreement to the comptroller under this section and the county maintains an Internet website, to provide on the website a direct link to the location of the agreement information published on the comptroller's Internet website.

SECTION 4. (a) Requires a local government that entered into an agreement, for each agreement described by Section 403.0246, Government Code, as added by this Act, that is in effect on the effective date of this Act, to, not later than January 1, 2022, submit to the comptroller the information described by that section and any other information the comptroller considers necessary to operate and update the database required by that section.

(b) Requires the comptroller to publish on the comptroller's Internet website the information received under this section not later than September 1, 2022.

SECTION 5. Requires the comptroller to create and post on the comptroller's Internet website the database required by Section 403.0246, Government Code, as added by this Act, not later than September 1, 2022.

SECTION 6. Provides that the comptroller is required to implement the changes in law made by this Act only if the legislature appropriates money specifically for that purpose. Provides that if the legislature does not appropriate money specifically for that purpose, the comptroller is authorized, but is not required, to implement this Act using other appropriations available for that purpose.

SECTION 7. Effective date: September 1, 2021.