By:  Patterson H.B. No. 539

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 services provided by public safety facilities.

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

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

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

(1)  a transportation facility;

(2)  a solid waste disposal facility;

(3)  a sewage facility;

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

(5)  an air or water pollution control facility.

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

Sec. 504.172.  AUTHORITY TO UNDERTAKE CERTAIN GENERAL INFRASTRUCTURE PROJECTS OR PUBLIC SAFETY PROJECTS; ELECTION. (a) Notwithstanding any other provision of this subtitle, a Type A corporation may not use proceeds from the sales and use tax or other corporate revenues to undertake the category of projects described by Section 501.1031 or the projects described by Section 501.108 unless the use of tax proceeds or other corporate revenues for those purposes is authorized by an election as provided by this section.

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

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

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

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

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

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

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

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

SECTION 4.  The heading to Subchapter D, Chapter 505, Local Government Code, is amended to read as follows:

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

SECTION 5.  Subchapter D, Chapter 505, Local Government Code, is amended by adding Section 505.162 to read as follows:

Sec. 505.162.  AUTHORITY TO UNDERTAKE CERTAIN GENERAL INFRASTRUCTURE PROJECTS OR PUBLIC SAFETY PROJECTS; ELECTION. (a) Notwithstanding any other provision of this subtitle, a Type B corporation may not use proceeds from the sales and use tax or other corporate revenues to undertake the category of projects described by Section 501.1031 or the projects described by Section 501.108 unless the use of tax proceeds or other corporate revenues for those purposes is authorized by an election as provided by this section.

(b)  The governing body of a Type B corporation's authorizing municipality by resolution may order an election on the question of approving the use of sales and use tax proceeds and other corporate revenues for:

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

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

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

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

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

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

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

SECTION 6.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.