By:  Meyer, Burrows (Senate Sponsor - Zaffirini) H.B. No. 2404

(In the Senate - Received from the House April 8, 2021; April 12, 2021, read first time and referred to Committee on Natural Resources & Economic Development; May 12, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 8, Nays 0; May 12, 2021, sent to printer.)

COMMITTEE VOTE

               Yea Nay Absent  PNV

Birdwell        X

Zaffirini       X

Alvarado        X

Hancock         X

Hinojosa        X

Hughes          X

Kolkhorst                X

Lucio           X

Seliger         X

COMMITTEE SUBSTITUTE FOR H.B. No. 2404 By:  Zaffirini

A BILL TO BE ENTITLED

AN ACT

relating to the creation and maintenance of a database of information regarding certain local economic development agreements; providing a civil penalty.

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

SECTION 1.  Subchapter B, Chapter 403, Government Code, is amended by adding Sections 403.0246 and 403.0247 to read as follows:

Sec. 403.0246.  LOCAL DEVELOPMENT AGREEMENT DATABASE. (a) In this section:

(1)  "Business day" means a day other than a Saturday, Sunday, or state or national holiday.

(2)  "Local development agreement" means:

(A)  an agreement entered into by a municipality under Section 380.001 or 380.002, Local Government Code;

(B)  an agreement entered into by a county under Section 381.004, Local Government Code; or

(C)  any other agreement to grant or otherwise commit public money or other resources for economic development purposes by a local government under Chapter 380 or 381, Local Government Code.

(3)  "Local government" includes:

(A)  a municipality;

(B)  a county;

(C)  a county industrial commission under Section 381.001, Local Government Code; or

(D)  a board of development under Section 381.002, Local Government Code.

(b)  The comptroller shall 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)  For each local development agreement described by Subsection (b), the database must include:

(1)  the name of the local government that entered into the agreement;

(2)  a numerical code assigned to the local government by the comptroller;

(3)  the address of the local government's administrative offices and public contact information;

(4)  the name of the appropriate officer or other person representing the local government and that person's contact information;

(5)  the name of any entity that entered into the agreement with the local government;

(6)  the date on which the agreement went into effect and the date on which the agreement expires;

(7)  the focus or scope of the agreement;

(8)  an electronic copy of the agreement; and

(9)  the name and contact information of the individual reporting the information to the comptroller.

(d)  The comptroller may 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)  The comptroller shall 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. 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.

(f)  The comptroller may not charge a fee to the public to access the database.

(g)  The comptroller may establish procedures and adopt rules to implement this section.

Sec. 403.0247.  NONCOMPLIANCE; CIVIL PENALTY. (a) In this section, "local development agreement" has the meaning assigned by Section 403.0246.

(b)  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, the comptroller shall send a notice to the local government. The notice must be in writing, describe the information that must 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)  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)  The attorney general may sue to collect a civil penalty imposed under this section.

(e)  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.

SECTION 2.  Chapter 380, Local Government Code, is amended by adding Section 380.004 to read as follows:

Sec. 380.004.  PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Not later than the 14th day after the date of entering into, amending, or renewing an agreement authorized by this chapter, a municipality shall 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)  A municipality shall transmit the information required by Subsection (a) in a form and manner prescribed by the comptroller.

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

SECTION 3.  Chapter 381, Local Government Code, is amended by adding Section 381.005 to read as follows:

Sec. 381.005.  PROVISION OF CERTAIN INFORMATION TO COMPTROLLER. (a) Not later than the 14th day after the date of entering into, amending, or renewing an agreement authorized by this chapter, a county, county industrial commission, or development board, as applicable, shall 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)  A county, commission, or board shall transmit the information required by Subsection (a) in a form and manner prescribed by the comptroller.

(c)  If a 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, the county shall provide on the website a direct link to the location of the agreement information published on the comptroller's Internet website.

SECTION 4.  (a) 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, the local government that entered into the agreement shall, 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)  The comptroller shall publish on the comptroller's Internet website the information received under this section not later than September 1, 2022.

SECTION 5.  The comptroller shall 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.  The comptroller is required to implement the changes in law made by this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the comptroller may, but is not required to, implement this Act using other appropriations available for that purpose.

SECTION 7.  This Act takes effect September 1, 2021.

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