

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

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

26 (b) The governing body of a Type A corporation's authorizing
27 municipality by resolution may order an election on the question of

1 approving the use of sales and use tax proceeds and other corporate
2 revenues for:

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

5 (2) the public safety projects described by Section
6 501.108.

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

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

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

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

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

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

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

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

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

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

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

27 (2) the public safety projects described by Section

1 501.108.

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

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

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

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

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

1 ."

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