

By: West

S.B. No. 340

A BILL TO BE ENTITLED

AN ACT

relating to establishing an intergovernmental development corporation in certain counties to foster minority- or women-owned construction businesses.

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

SECTION 1. Subtitle C, Title 12, Local Government Code, is amended by adding Chapter 396 to read as follows:

CHAPTER 396. INTERGOVERNMENTAL DEVELOPMENT CORPORATIONS IN CERTAIN COUNTIES

Sec. 396.001. APPLICABILITY. This chapter applies only to a county with a population of more than two million that is adjacent to another county with a population of more than two million.

Sec. 396.002. FINDING AND PURPOSE. (a) The legislature finds that it is an appropriate role for local governmental entities to foster the development of construction businesses that are owned by members of a minority group or by women.

(b) The program authorized by this chapter, including the authority to grant public money under the program, is in the public interest, promotes economic diversity, and serves the public purpose of economic development and diversification.

(c) This chapter shall be liberally construed in conformity with the finding and purposes stated in this section.

Sec. 396.003. CREATION OF CORPORATION. (a) The commissioners court of a county subject to this chapter and the

1 governing body of a single political subdivision or governing
2 bodies of a combination of political subdivisions located wholly or
3 partly in a county subject to this chapter may create a corporation
4 under this chapter.

5 (b) Only one corporation may be created in a county under
6 this chapter.

7 (c) A corporation created under this chapter must be formed
8 as a nonprofit corporation under the Business Organizations Code.
9 To the extent of a conflict with respect to the powers, rights, or
10 duties of a nonprofit corporation between the Business
11 Organizations Code and this chapter, this chapter prevails.

12 (d) The certificate of formation of the corporation must
13 state that the corporation is governed by this chapter.

14 (e) The initial bylaws of the corporation shall be adopted
15 by its board of directors and approved by resolution by each
16 governing body that created the corporation. Any subsequent
17 changes made to the bylaws must be approved by each governing body
18 that created the corporation.

19 Sec. 396.004. BOARD OF DIRECTORS. (a) The corporation is
20 governed by a board of directors. Each governing body that created
21 the corporation shall appoint one member of the board. If an even
22 number of governing bodies are entitled to appoint a member to the
23 board, the governing bodies, in addition to individually appointing
24 one member as provided by this subsection, shall jointly appoint
25 one member of the board.

26 (b) Board members serve staggered two-year terms, with as
27 near as possible to one-half of the members' terms expiring each

1 year. A board member serves at the will of the governing body or
2 governing bodies, as applicable, that appointed the member.
3 Successor members are appointed in the same manner as the original
4 appointees.

5 (c) A board member may not have a personal interest in a
6 contract executed by the corporation.

7 (d) A board member is not entitled to compensation but is
8 entitled to reimbursement for actual and necessary expenses
9 incurred in serving as a board member.

10 (e) The board shall appoint from its members a presiding
11 officer, a secretary, and other officers of the corporation that
12 the board considers necessary.

13 Sec. 396.005. ADOPTION AND APPROVAL OF BUDGET; REVIEW OF
14 CORPORATE FINANCES. (a) The board shall prepare an annual budget
15 for the corporation. The budget must be approved by the board and
16 presented to and approved by each governing body that created the
17 corporation. The corporation may not make any expenditure
18 authorized by this chapter until the budget has been approved as
19 provided by this section. An amendment of the budget must be
20 approved in the same manner as the budget.

21 (b) A governing body that created the corporation is
22 entitled, at all times, to access to the books and records of the
23 corporation.

24 Sec. 396.006. PROGRAM TO FOSTER MINORITY- OR WOMEN-OWNED
25 CONSTRUCTION BUSINESSES. A corporation may develop and implement a
26 program to provide for owners of construction businesses who are
27 members of a minority group or who are women:

1 (1) training and mentoring, including providing
2 long-term training and in-training support service grants, through
3 the participation of general contractors who have substantial
4 experience and expertise providing construction services in the
5 county; and

6 (2) any other undertaking, including granting public
7 money, that the board determines will directly foster the
8 development of construction businesses that are owned by members of
9 a minority group or by women.

10 Sec. 396.007. GENERAL POWERS OF CORPORATION. The
11 corporation may:

12 (1) administer a program authorized by this chapter;
13 (2) perform any act necessary for the full exercise of
14 the corporation's powers;

15 (3) accept a grant or loan from:
16 (A) a governing body that created the
17 corporation;

18 (B) a department or agency of the United States;

19 (C) a department or agency of this state; or

20 (D) a public or private person;

21 (4) employ any necessary personnel;

22 (5) adopt rules to govern the operation of the
23 corporation and its employees and property; and

24 (6) contract or enter into a memorandum of
25 understanding or a similar agreement with a public or private
26 person in connection with a program authorized by this chapter.

27 Sec. 396.008. NATURE OF CORPORATE PROPERTY. (a) The

1 legislature finds for all constitutional and statutory purposes
2 that the corporation owns, uses, and holds its property for public
3 purposes.

4 (b) Section 25.07(a), Tax Code, does not apply to a
5 leasehold or other possessory interest granted by the corporation.

6 (c) Property owned by the corporation is exempt from
7 taxation under Section 11.11, Tax Code, while the corporation owns
8 the property.

9 Sec. 396.009. OPEN RECORDS AND MEETINGS. The board is
10 considered a governmental body for the purposes of Chapters 551 and
11 552, Government Code.

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