

By: Patterson

H.B. No. 615

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) In this section, "first responder" has the meaning  
3 assigned by Section 421.095, Government Code.

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

6 (c) A Type A corporation may undertake a project the primary  
7 purpose of which is to provide:

8 (1) a general aviation business service airport that  
9 is an integral part of an industrial park;

10 (2) a port-related facility to support waterborne  
11 commerce; ~~or~~

12 (3) an airport-related facility, if the authorizing  
13 municipality:

14 (A) is wholly or partly located within 25 miles  
15 of an international border; and

16 (B) has, at the time the project is approved by  
17 the corporation as provided by this subtitle:

18 (i) a population of less than 50,000; or

19 (ii) an average rate of unemployment that  
20 is greater than the state average rate of unemployment during the  
21 most recent 12-month period for which data is available that  
22 precedes the date the project is approved; or

23 (4) general infrastructure described by Section  
24 501.1031.

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

27 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 projects described by Section 501.1031 or 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 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 Type A 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

1 authorized uniform election date prescribed by Chapter 41, Election  
2 Code, that occurs after the date the election is ordered and that  
3 allows sufficient time to comply with other requirements of law.

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

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

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

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

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

21 Sec. 505.162. AUTHORITY TO UNDERTAKE CERTAIN GENERAL  
22 INFRASTRUCTURE PROJECTS OR PUBLIC SAFETY PROJECTS; ELECTION.

23 (a) Notwithstanding any other provision of this subtitle, a Type B  
24 corporation may not use proceeds from the sales and use tax or other  
25 corporate revenues to undertake the projects described by Section  
26 501.1031 or 501.108 unless the use of tax proceeds or other  
27 corporate revenues for those purposes is authorized by an election

1 as provided by this section.

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

6 (1) the general infrastructure projects described by  
7 Section 501.1031; or

8 (2) the public safety projects described by Section  
9 501.108.

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

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

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

25 (f) The ballot in an election under this section on the  
26 question described by Subsection (b)(1) shall be printed to provide  
27 for voting for or against the proposition: "Allowing the use of

1 Type B corporation sales tax funds and other corporate revenues for  
2 streets and roads, water supply facilities, or sewage facilities in  
3 the City of \_\_\_\_\_."

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

10 SECTION 6. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2023.