

By: Shine

H.B. No. 4335

A BILL TO BE ENTITLED

AN ACT

relating to certain requirements applicable to certain municipal economic development programs and grants.

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

SECTION 1. Section 380.001, Local Government Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The governing body of a municipality may not establish, amend, or renew a program under Subsection (a) unless the governing body has first held a public hearing on the matter at which members of the public are given the opportunity to be heard.

(e) A municipality may not make a loan or grant of public money or provide municipal personnel or services to a person through a program established under this section unless the municipality enters into a written agreement with the person. The agreement must detail the terms and conditions of the loan, grant, or provision of municipal personnel or services. An agreement with a for-profit entity must require the creation or retention of jobs and the making of a capital investment, and must include a schedule of the jobs to be created or retained and the capital investment to be made. An agreement must include a requirement that the person repay to the municipality the cost of any benefit received by the person from the municipality under the agreement if the person fails to meet each performance requirement required by the agreement.

1 SECTION 2. Section 380.002, Local Government Code, is
2 amended by adding Subsection (d) to read as follows:

3 (d) A home-rule municipality may not grant public money to
4 an organization or corporation under this section or through a
5 program established under this section unless the municipality
6 complies with the requirements of Sections 380.001(d) and (e).

7 SECTION 3. The changes in law made by this Act apply only to
8 an agreement entered into by a municipality under Section 380.001
9 or 380.002, Local Government Code, as amended by this Act, on or
10 after the effective date of this Act.

11 SECTION 4. This Act takes effect September 1, 2023.