By: Lopez of Cameron H.B. No. 4749

A BILL TO BE ENTITLED

AN ACT

relating to the authority of economic development corporations created by certain rural municipalities to undertake infrastructure planning projects.

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

SECTION 1. Subchapter C, Chapter 501, Local Government Code, is amended by adding Section 501.108 to read as follows:

Sec. 501.108. RURAL INFRASTRUCTURE PLANNING PROJECTS. (a) This section applies only to a corporation authorized to be created by a municipality that during the 12-month period preceding the date of the undertaking of a project authorized by this section, has an average unemployment rate that is greater than the state average unemployment rate and:

(1) has a population of less than 100,000;

(2) is located wholly in a county designated as rural by the Texas Department of Agriculture; or

(3) is part of a micropolitan statistical area with a population of less than 150,000 in which the municipalities are adjoined with regional water, sewer, drainage, and irrigation systems.

(b) For a corporation to which this section applies, in this subtitle, "project" includes expenditures found by the board of directors to be required or suitable for the development and engineering of plans for infrastructure for the purpose of being

ready to begin construction immediately after receiving a state or federal grant that may be spent for infrastructure, notwithstanding any limitation of expenditures under Section 501.103. The project may include interlocal agreements in cooperation with any regional or overlapping water, sewer, or drainage district or regional system.

(c) An expenditure made under this section must prioritize:

(1) the economic goals of the community; and

(2) the mitigation of flood, storm, or other natural disaster incidents that have increased risks of damage to business, industrial, and affordable housing sites or zones, including by prioritizing projects for:

(A) water, sewer, drainage, railroad, or road underground borings or crossing improvements to distressed business, industry, or affordable housing sites or zones where local revenues are unavailable; and

(B) sewer and wastewater disposal facilities required or suitable for infrastructure necessary to promote or develop new, expanded business and industrial area enterprises or affordable housing sites or projects.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.