

BILL ANALYSIS

Senate Research Center
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H.B. 3178
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Engrossed

DIGEST AND PURPOSE

Since 1989, voters in many Texas cities have had the option of imposing a local sales and use tax to help finance community economic development efforts. Over 400 cities have levied this tax, helping to raise revenues in excess of \$240 million in 1999. Requiring persons associated with development corporations to complete a training seminar on the operation and administration of development corporations may result in more effective use of this revenue. H.B. 3178 requires certain persons associated with development corporations to complete a seminar developed by the Texas Department of Economic Development.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Economic Development in SECTION 1 (Section 481.0231, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 481B, Government Code, by adding Section 481.0231, as follows:

Sec. 481.0231. DEVELOPMENT CORPORATION TRAINING SEMINAR. (a) Requires the Texas Department of Economic Development (department), in conjunction with the attorney general and the comptroller, by rule to develop a training seminar to ensure that the officers of a corporation created by a municipality or county under, and the officials of the municipality or county that created a corporation under, the Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) properly and legally operate the corporation and administer a tax imposed for the benefit of the corporation.

(b) Authorizes the department to include in the seminar any information regarding training programs offered by the department, the attorney general, or the comptroller that would assist a person attending the seminar with the operation and administration of a development corporation.

(c) Requires the department to issue a certificate of completion to each person who completes the training seminar.

(d) Requires the department to hold the training seminars in different regions in the state for the convenience of persons required to complete the training seminar under Section 39, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.).

(e) Authorizes the department to enter into an agreement for the provision of a training seminar developed under this section by any person determined by the department to be qualified to provide the training seminar. Authorizes a person who provides a training seminar under this subsection to charge a reasonable fee for attending the seminar.

SECTION 2. Amends the Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), by adding Section 39 to read as follows:

Sec. 39. (a) Provides that this section applies only to a corporation created under Section 4A or 4B of this Act or an entity that creates a corporation under Section 4A or 4B of this Act.

(b) Requires certain persons, at least once in each 24-month period, to attend a training seminar sponsored by the department under Section 481.0231, Government Code.

(c) Requires a corporation to present proof of compliance with this section to the comptroller by presenting the certificates of completion issued under Section 481.0231, Government Code, for each person that was required to attend the training seminar. Authorizes the comptroller to impose an administrative penalty, in an amount not to exceed \$1,000 for each violation, against a corporation that fails to present proof in accordance with this section.

(d) Authorizes a corporation to spend corporate revenue to pay the costs of attending a seminar required by Subsection (b) of this section.

SECTION 3. (a) Requires the Texas Department of Economic Development to develop the training seminar under Section 481.0231, Government Code, as added by this Act, not later than January 1, 2002.

(b) Requires a person who, on the effective date of this Act, is required to take a training seminar under Section 39, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), as added by this Act, to take a training seminar before January 1, 2004.

SECTION 4. Effective date: September 1, 2001.