

## **BILL ANALYSIS**

Senate Research Center  
77R8209 CLG-F

H.B. 3298  
By: Bonnen (Brown)  
Intergovernmental Relations  
5/6/2001  
Engrossed

### **DIGEST AND PURPOSE**

Currently, there is ambiguity concerning whether an economic development corporation may contribute its sales tax proceeds to a nonprofit economic development organization to administer the corporation's economic development program. H.B 3298 clarifies the Development Corporation Act of 1979 to authorize such contributions in some circumstances.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 4A(b)(1), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.) to authorize a corporation created under this section to contract with other existing private corporations to carry out industrial development objectives or to assist with the development or operation of an economic development program or objective consistent with the purposes and duties as set out in this Act.

SECTION 2. Amends Section 4B(b), Article 5190.6, V.T.C.S., to prohibit a corporation created under this section from spending more than 10 percent of the corporate revenues for promotional purposes and authorizes such a corporation to contract with another existing private corporation to carry out an industrial development program or objective or to assist with the development or operation of an economic development program or objective consistent with the purposes and duties specified in this Act.

SECTION 3. Effective date: upon passage or September 1, 2001.