

BILL ANALYSIS

Senate Research Center

H.B. 2928
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S/C on Emerging Technologies & Economic Dev.
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Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Current Texas law allows voters in eligible cities to impose a local sales and use tax dedicated to helping finance their communities' economic development projects. The economic development sales tax has become a key component of local economic development programs for communities throughout Texas. There is a need to offer a broader array of options for the use of these proceeds because different cities have different potential uses for this funding.

H.B. 2928 amends the Development Corporation Act of 1979 to allow several additional ways for eligible cities to use their local sales and use tax proceeds, depending on certain criteria set forth in the bill.

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 2(11), Development Corporation Act of 1979 (Article 5190.6, V.C.T.S.), to redefine "project."

SECTION 2. Amends Section 2, Development Corporation Act of 1979 (Article 5190.6, V.C.T.S.), by adding Subdivision (19) to define "blighted area."

SECTION 3. Amends Section 4B(a), Development Corporation Act of 1979 (Article 5190.6, V.C.T.S.), by adding Subdivision (3), to define "project" for a corporation created by an eligible city with a population of 20,000 or less. Prohibits a corporation from undertaking a project authorized by this subdivision that requires an expenditure of more than \$10,000 until the governing body of the eligible city creating the corporation adopts a resolution authorizing the project after giving the resolution at least two separate readings.

SECTION 4. Amends Section 40(a), Development Corporation Act of 1979 (Article 5190.6, V.C.T.S.), to make a conforming change.

SECTION 5. Effective date: September 1, 2005.