

BILL ANALYSIS

Senate Research Center
79R2081 CLG-D

S.B. 1304
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S/C on Emerging Technologies & Economic Dev.
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

H.B. 2912, 78th Legislature, Regular Session, 2003, established new limitations on allowable uses for economic development money that have proven unfairly restrictive for certain rural communities in Texas. Since the inception of the Development Corporation Act of 1979, economic development corporations could use their economic development money "to promote new and expanded business development." This language was struck from the Act and new language was added to limit the use of funds to improvements that are for "the creation or retention of primary jobs" in specific industries. Unfortunately, that change prevents small, rural communities from using their economic development funds in a manner that they believe best serves their community.

S.B. 1304 simply retains the original intent of the Development Corporation Act for any county with a population of less than 25,000, allowing the board of directors to decide what is best for their small, rural areas.

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.T.C.S.), to redefine "project."

SECTION 2. Effective date: upon passage or September 1, 2005.