

BILL ANALYSIS

Senate Research Center

H.B. 3036
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S/C on Emerging Technologies & Economic Dev.
5/1/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Section 4A(c) of the Development Corporation Act of 1979 currently stipulates that the board of directors of a corporation created under this section must consist of five directors who are appointed by the governing body of a city and who serve at the pleasure of that governing body. The difficulty with a static number of directors is that it does not provide any flexibility to a governing body regardless of the size of the city. Because of this lack of elasticity, city council members have difficulty agreeing on director appointments. HB. 3036 proposes to amend the number of Section 4A directors required from five to at least five, creating some flexibility in the size of the board of directors. This bill also authorizes a governing body of the city to set the length of term for each 4A director at not more than six years and grants the ability to remove a director at any time without cause.

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(c), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to provide that the board of directors of a corporation under this section consists of at least five directors who are appointed by the government body of the city and who serve at the pleasure of the governing body and may be removed by the governing body at any time without cause. Requires the governing body of the city to determine the number of directors and the length of the term of each director, not to exceed six years.

SECTION 2. Requires the governing body of a city that has created a corporation governed by Section 4A, Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), not later than January 1, 2006, to take action necessary to conform the length of terms of the board of directors of that corporation to the requirements of Section 4A(c), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), as amended by this Act.

SECTION 3. Effective date: upon passage or September 1, 2005.