

BILL ANALYSIS

Senate Research Center
76R8847 WP-D

H.B. 1543
By: Keffer (Fraser)
Economic Development
5/9/1999
Engrossed

DIGEST

Currently, an individual must be a “city resident” to legally serve as a director of a 4B development corporation. This contrasts with the qualifications for a 4A development corporation, which is not limited to residents of the city creating the corporation. This requirement can be burdensome for small rural communities and limits the availability of qualified candidates. H.B. 1543 would regulate residency requirements of directors of certain economic development corporations.

PURPOSE

As proposed, H.B. 1543 regulates residency requirements of directors of certain economic development corporations.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4B(c), Article 5190.6, V.T.C.S. (Development Corporation Act of 1979), to require each director of a corporation created by an eligible city with a population of 10,000 or more to be a resident of the eligible city. Requires each director of a corporation created by an eligible city with a population of less than 10,000 to be a resident of the eligible city or the county in which the major part of the area of the eligible city is located.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.