

BILL ANALYSIS

Senate Research Center
76R10315 WP-D

H.B. 2614
By: Counts (Fraser)
Economic Development
5/9/1999
Engrossed

DIGEST

Currently, Article 5190.6, V.T.C.S., allows a county or municipal corporation to charter a development corporation. There is no provision in the statute to allow a group of counties to charter a development corporation. This bill would create a county alliance, with the same powers, functions, and authorities as currently granted to an individual county or municipality, to jointly authorize the creation of a development corporation.

PURPOSE

As proposed, H.B. 2614 creates a county alliance, with the same powers, functions, and authorities as currently granted to an individual county or municipality, to jointly authorize the creation of a development corporation.

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 2, Article 5190.6, V.T.C.S., to define “county alliance” and redesignate Subdivisions (8)-(14) as (9)-(15).

SECTION 2. Amends Article 5190.6, V.T.C.S., by adding Section 4D, as follows:

Sec. 4D. (a) Authorizes two or more counties that are adjacent or are in close proximity, as determined by the governing bodies of the counties involved, to create a county alliance to authorize the creation of a development corporation (corporation). Provides that the county alliance is a single unit for the purposes of this Act. Provides that the other provisions of this Act apply to the county alliance and a corporation authorized by the county alliance, except to the extent inconsistent with this section or another provision of this Act that is expressly applicable to the county alliance or corporation.

(b) Provides that the board of directors (board) of a corporation consists of members appointed by the commissioners court of each county in the alliance. Provides that the board consists of three members from each county if the alliance includes 10 or fewer counties or two members from each county if the alliance includes more than 10 counties. Prohibits a member of the board from serving more than six years and authorizes a member to be removed at the will of the appointing county. Provides that the member serves without compensation but is entitled to reimbursement for expenses incurred in the performance of the member’s duties.

(c) Authorizes a county to become a member of an established county alliance that has authorized the creation of a corporation. Sets forth the procedure for a county to become a member of an established county alliance.

(d) Authorizes any net earnings to be distributed among the counties in the alliance as a percentage of the per capita contributions made by each of the counties, if the board determines that sufficient provisions have been made to pay a county alliance corporation’s financial obligations.

(e) Authorizes a county to leave a county alliance if all of the county’s obligations and entitlements

in relation to the corporation have been properly settled. Prohibits the departing county from receiving any funds, assets, or property of the corporation until the dissolution of the corporation as provided by Subsection (f). Provides that a county that leaves the alliance is entitled to receive a distribution as provided by Subsection (f) that is reduced by one percent for each year the corporation operated without the county's membership in the alliance.

(f) Requires any assets of the corporation remaining after all the corporation's obligations have been met, on dissolution of a corporation authorized by a county alliance, to be distributed among the counties in the alliance as a percentage of the per capita contributions made by each of the counties during the existence of the corporation subject to Subsection (e).

(g) Provides that a county alliance corporation is not required to dissolve because a county leaves the alliance if at least two counties remain in the alliance.

SECTION 3. Amends Section 7(b), Article 5190.6, V.T.C.S., to require a certificate of incorporation granted to a county alliance corporation and the original of the articles of incorporation that is required to be delivered to the governing body of the county alliance under whose auspices the corporation was created to be delivered to the commissioners court of any county in the county alliance. Requires that county to provide photocopies of the certificate of incorporation and the articles of incorporation to each other member of the alliance.

SECTION 4. Amends Section 17, Article 5190.6, V.T.C.S., by adding Subsection (c), to prohibit an amendment of the article of incorporation of a county alliance corporation from being adopted unless approved by the governing body of each member of the county alliance under whose auspices the corporation was created.

SECTION 5. Amends Section 20(e), Article 5190.6, V.T.C.S., to require a restated certificate of incorporation granted to a county alliance corporation and the originals of the restated article of incorporation that are required to be delivered to the governing body of the county alliance under whose auspices the corporation was created to be delivered to the commissioners court of any county in the alliance. Requires that county to provide photocopies of the certificate of incorporation and the articles of incorporation to each other member of the alliance.

SECTION 6. Amends Section 25(f), Article 5190.6, V.T.C.S., to require the resolution required by this subsection to be adopted by the commissioners courts of at least three-fifths of the members of the county alliance, if the corporation is authorized by a county alliance.

SECTION 7. Emergency clause.
Effective date: upon passage.