

BILL ANALYSIS

Senate Research Center

C.S.S.B. 1047
By: Wentworth
State Affairs
3/30/1999
Committee Report (Substituted)

DIGEST

The Public Information Act, according to a 1993 opinion by the Attorney General, does not protect certain proprietary or confidential information gathered by city governments or other economic development efforts from businesses seeking economic incentives from those entities. C.S.S.B. 1047 would except certain business prospect information included in economic development negotiations with a governmental body from the open records law and open meetings, but not from certain information if public funds are directly or indirectly expended.

PURPOSE

As proposed, C.S.S.B. 1047 excepts certain information about business prospects who have engaged in economic development negotiations with a governmental body from the open records law and open meetings.

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 Chapter 551D, Government Code, by adding Section 551.086, as follows:

Sec. 551.086. DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS; CLOSED MEETING. Provides that this chapter does not require a governmental body to conduct an open meeting to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the jurisdiction of the governmental body and with which the governmental body is conducting economic development negotiations; or to deliberate an offer of a financial or other incentive to a business prospect described by Subdivision (1).

SECTION 2. Amends Chapter 552C, Government Code, by adding Section 552.131, as follows:

Sec. 552.131. EXCEPTION: ECONOMIC DEVELOPMENT INFORMATION. Provides that information is excepted from the requirements of Section 552.021, if the information relates to economic development negotiations involving a governmental body and a business prospect that the governmental body seeks to have locate, stay, or expand in or near the jurisdiction of the governmental body and the information relates to a trade secret of the business prospect, or commercial or financial information for which it is demonstrated, based on specific factual evidence, that disclosure would cause substantial competitive harm to the person from whom the information was obtained. Provides that unless and until an agreement is reached with a business prospect, information about a financial or other incentive being offered to the business prospect by the governmental body or by another person is excepted from the requirements of Section 552.021. Provides that, after an agreement is reached, this section does not except from the requirements of Section 552.021 information about a financial or other incentive being offered to the business prospect by the governmental body or by another person, if the financial or other incentive may directly or indirectly result in the expenditure of public funds by a governmental body or in a reduction in revenues received by a governmental body from any source of revenue.

Effective date: 90 days after adjournment.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Chapter 551D, Government Code, by adding Section 551.086, concerning deliberations regarding economic development negotiations, and closed meetings.

SECTION 2.

Redesignated from existing SECTION 1. Amends Chapter 552C, Government Code, by expanding the information excepted from the requirements of Section 552.021 to include commercial or financial information for which it is demonstrated, based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained. Adds Subsection (b), to provide that unless and until an agreement is reached with a business prospect, information about a financial or other incentive being offered to the business prospect by the governmental body or by another person is excepted from the requirements of Section 552.021.