

BILL ANALYSIS

Senate Research Center
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S.B. 269
By: Duncan
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As Filed

DIGEST

Currently, under Texas law, economic development corporations formed under Section 4A, Article 5190.6, V.T.C.S. (Development Corporation Act of 1979) are subject to dissolution by popular election. Development corporations formed under Section 4B are not subject to popular dissolution. This bill provides a procedure for the popular dissolution of Section 4B development corporations.

PURPOSE

As proposed, S.B. 269 provides a procedure for the popular dissolution 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, Article 5190.6, V.T.C.S. (Development Corporation Act of 1979), by adding Subsection (o), to require the governing body of a city creating a corporation under this section to order an election on the dissolution of the corporation on receipt of a certain type of petition. Requires the election to be held on a certain date. Sets forth language for the ballot. Requires the corporation, upon a vote for dissolution, to continue operations only as long as necessary to meet obligations incurred prior to the election date. Requires the corporation to liquidate corporate assets and apply the proceeds to satisfy the corporation's obligations. Requires any remaining assets to be transferred to the city after satisfaction of all of the corporation's obligations, and the corporation is dissolved. Requires the city to promptly notify the Texas Comptroller of Public Accounts of the dissolution date. Prohibits a tax collected under this section from being collected after a certain date. Provides that if less than a majority of votes are cast in favor of dissolution, Subdivisions (3) and (4) have no effect.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.