

BILL ANALYSIS

Senate Research Center
79R890 CLG-D

H.B. 551
By: Phillips (Estes)
S/C on Emerging Technologies & Economic Dev.
5/6/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

The Development Corporation Act of 1979 permits eligible cities to seek voter approval in order to levy a Section 4A tax, a Section 4B tax, or both types of economic development sales taxes. These taxes are used by the cities' economic development corporations to help facilitate the attraction and expansion of industry in the cities.

During the 78th Legislature, Regular Session, 2003, H.B. 2912 was passed to clarify the allowable uses of the tax funds in an effort to comply with the original intent of the Act. The bill listed numerous North American Industry Classification System (NAICS) sector numbers for which a business would have to qualify in order to receive assistance from a development corporation.

H.B. 551 amends the definition of a primary job in the Development Corporation Act of 1979, by adding NAICS Sector #56142, which applies to telephone call centers and is in accordance with the intended use of Section 4A and Section 4B funds.

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 2(17), Development Corporation Act of 1979 (Article 5190.6, V.T.C.S.), to redefine "primary job" to include telephone call centers included in the North American Industry Classification System.

SECTION 2. Effective date: upon passage or September 1, 2005.