

BILL ANALYSIS

Senate Research Center

S.B. 450
By: Powell
Natural Resources & Economic Development
7/18/2019
Enrolled

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Development Corporation Act requires Type A and Type B economic development corporations (EDCs) to submit a one-page report on their financial activities from the previous fiscal year to the Office of the Comptroller of Public Accounts of the State of Texas (comptroller's office) every February 1st of each year. For many EDCs, this deadline is not plausible, as there are a variety of administrative requirements that EDCs must complete before they can file their reports with the comptroller. Thus, CPA staff spends a significant amount of time and effort notifying and reminding EDCs of their reporting responsibilities. Furthermore, the February 1st deadline itself is outdated, as advancing technology has allowed the agency to streamline the reporting process and the data calculations, making it unnecessary for the comptroller's office to receive the financial reports at the beginning of each calendar year.

Section 502.151, Local Government Code, describes the financial information that EDCs must submit to the comptroller's office. This includes the total revenue and expenditures during the preceding fiscal year, their capital assets, and their primary economic development objectives. The comptroller's office then compiles all submitted information and prepares a biennial summary report for the legislature on or before November 1st of each even-numbered year.

By extending the deadline for EDCs to submit their annual reports from February 1st to April 1st, EDCs would have more time to compile and submit the report, thus increasing compliance with the statutory reporting requirements. This bill would increase efficiency at the agency and increase cost-savings in labor and postage. Furthermore, CPA staff would be able to focus their attention on other agency priorities rather than contacting noncompliant EDCs. (Original Author's/Sponsor's Statement of Intent)

S.B. 450 amends current law relating to the deadline for certain economic development corporations to file a certain report with the comptroller.

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 502.151(a), Local Government Code, to require the board of directors of a corporation to submit a report to the comptroller of public accounts of the State of Texas not later than April 1 of each year, rather than February 1 of each year, that includes certain information.

SECTION 2. Effective date: September 1, 2019.