

LOCAL GOVERNMENT CODE

TITLE 12. PLANNING AND DEVELOPMENT

SUBTITLE C1. ADDITIONAL PLANNING AND DEVELOPMENT PROVISIONS

APPLYING TO MORE THAN ONE TYPE OF LOCAL GOVERNMENT

CHAPTER 502. PROVISIONS APPLICABLE TO TYPE A AND

TYPE B CORPORATIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 502.001. APPLICABILITY OF CHAPTER. This chapter applies only to Type A and Type B corporations.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER B. CORPORATE POWERS AND LIMITATIONS

Sec. 502.051. WRITTEN CONTRACT REQUIRED FOR BUSINESS RECRUITMENT OR DEVELOPMENT. (a) Except under a written contract approved by the corporation's board of directors, a corporation may not pay compensation, including a commission or fee, or another thing of value to a broker, agent, or other third party who:

(1) is involved in business recruitment or development; and

(2) is not an employee of the corporation.

(b) A corporation that violates Subsection (a) is liable to this state for a civil penalty in an amount not to exceed \$10,000.

(c) The attorney general may bring an action to recover the civil penalty in a district court in Travis County or the county in which the violation occurred.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 502.052. USE OF TAX REVENUE FOR MASS TRANSIT-RELATED FACILITIES. A corporation may, as authorized by the corporation's board of directors, spend tax revenue received under this subtitle for the development, improvement, expansion, or maintenance of facilities relating to the operation of commuter rail, light rail,

or motor buses.

Added by Acts 2009, 81st Leg., R.S., Ch. 87 (S.B. 1969), Sec. 15.013(b), eff. September 1, 2009.

SUBCHAPTER C. TRAINING REQUIREMENTS

Sec. 502.101. TRAINING REGARDING OPERATION OF CORPORATION.

(a) At least once in each 24-month period, the following persons associated with a corporation shall attend a training seminar regarding the operation of a corporation created under this subtitle:

(1) the municipal attorney, administrator, or clerk of the municipality that authorized the creation of the corporation; and

(2) the corporation's executive director or other person responsible for the corporation's daily administration.

(b) The training seminar must provide at least six hours of instruction on topics relating to the legal and proper operation of a corporation created under this subtitle.

(c) The training seminar must be held at least four times each calendar year in a different geographical region of this state.

(d) A corporation may spend corporate revenue to pay for required attendance at the training seminar.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 502.102. PROVISION OF TRAINING SEMINAR. (a) A training seminar under Section 502.101 must be provided by a statewide organization representing corporations created under this subtitle, except that if the economic development office determines that no statewide organization is able to provide a seminar as required by Section 502.101, the office, in conjunction with the attorney general and the comptroller, shall by rule develop the seminar. The office may enter into an agreement for provision of a seminar developed under those rules with a person the office determines is qualified to provide the seminar.

(b) A person providing a training seminar may:

(1) charge a reasonable fee for attending the seminar;

and

(2) compensate an individual who provides instruction at the seminar.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 502.103. PROOF OF COMPLIANCE. (a) A person providing a training seminar under Section 502.101 shall issue a certificate of completion, on a form approved by the comptroller, to each person who completes the seminar.

(b) A corporation shall present proof of compliance with Section 502.101 to the comptroller by presenting the certificate of completion issued under Subsection (a) for each person required to attend a training seminar. The comptroller may impose an administrative penalty, in an amount not to exceed \$1,000 for each violation, against a corporation that fails to present proof in accordance with this subsection.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

SUBCHAPTER D. REPORTING REQUIREMENTS

Sec. 502.151. REPORT TO COMPTROLLER. (a) Not later than April 1 of each year, the board of directors of a corporation shall submit a report to the comptroller that includes:

(1) a statement of:

(A) the corporation's primary economic development objectives;

(B) the corporation's total revenue during the preceding fiscal year;

(C) the corporation's total expenditures during the preceding fiscal year; and

(D) the corporation's total expenditures during the preceding fiscal year in each of the following categories:

(i) administration;

- (ii) personnel;
- (iii) marketing or promotion;
- (iv) direct business incentives;
- (v) job training;
- (vi) debt service;
- (vii) capital costs;
- (viii) affordable housing; and
- (ix) payments to taxing units, including school districts;

(2) a list of the corporation's capital assets, including land and buildings; and

(3) any other information the comptroller requires to determine the use of the sales and use tax imposed under Chapter 504 or 505 to encourage economic development in this state.

(b) The report:

(1) must be in the form required by the comptroller; and

(2) may not exceed one page.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 3 (S.B. 450), Sec. 1, eff. September 1, 2019.

Sec. 502.152. NOTICE OF FAILURE TO REPORT. (a) If a corporation does not submit a report as required by Section 502.151 or does not include sufficient information in the report, the comptroller shall provide to the corporation written notice of the failure, including information on how to correct the failure.

(b) The comptroller may impose an administrative penalty of \$200 against a corporation that does not correct the failure before the 31st day after the date the corporation receives notice under Subsection (a). The comptroller by rule shall prescribe the procedures for imposition of the administrative penalty. The rules must protect the corporation's due process rights.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.

Sec. 502.153. REPORT TO LEGISLATURE. Not later than November 1 of each even-numbered year, the comptroller shall submit to the legislature a report on the use of the sales and use tax imposed under Chapters 504 and 505 to encourage economic development in this state. On request, the comptroller shall provide without charge a copy of the report to a corporation.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 3.01, eff. April 1, 2009.