A BILL TO BE ENTITLED

1   AN ACT

2 relating to a limitation on use of corporate revenue by economic

3 development corporations.

4   BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5   SECTION 1. Subchapter C, Chapter 504, Local Government

6 Code, is amended by adding Section 504.108 to read as follows:

7   Sec. 504.108. USE OF REVENUE TO RECRUIT OR RELOCATE

8 BUSINESS FROM NEIGHBORING MUNICIPALITY PROHIBITED. A Type A

9 corporation may not use corporate revenue for purposes of

10 recruiting or relocating to the corporation's authorizing

11 municipality a business from a municipality located in:

12   (1) the same county as the authorizing municipality;

13 or

14   (2) a county adjacent to the county in which the

15 authorizing municipality is located.

16   SECTION 2. Subchapter C, Chapter 505, Local Government

17 Code, is amended by adding Section 505.107 to read as follows:

18   Sec. 505.107. USE OF REVENUE TO RECRUIT OR RELOCATE

19 BUSINESS FROM NEIGHBORING MUNICIPALITY PROHIBITED. A Type B

20 corporation may not use corporate revenue for purposes of

21 recruiting or relocating to the corporation's authorizing

22 municipality a business from a municipality located in:

23   (1) the same county as the authorizing municipality;

24 or

1   (2) a county adjacent to the county in which the

2 authorizing municipality is located.

3   SECTION 3. This Act takes effect immediately if it receives

4 a vote of two-thirds of all the members elected to each house, as

5 provided by Section 39, Article III, Texas Constitution. If this

6 Act does not receive the vote necessary for immediate effect, this

7 Act takes effect September 1, 2011.