

SUBJECT: Allowing the TexAmericas Center to promote economic development

COMMITTEE: Special Purpose Districts — committee substitute recommended

VOTE: 7 ayes — Murphy, Perez, Bell, Cortez, Cospers, Lang, Schubert

0 nays

WITNESSES: For — Scott Norton, TexAmericas Center

Against — None

BACKGROUND: Special District Local Laws Code, ch. 3503 creates the TexAmericas Center, a special purpose district with the authority to perform certain activities, including the promotion of the location and development of new businesses, industries, and commercial activities on or related to the district. The center may adopt a resolution to create a nonprofit corporation to acquire and collect expenses of real property.

DIGEST: CSHB 967 would authorize the TexAmericas Center to promote regional economic development and job creation inside the district's boundaries as well as in Bowie County and adjacent counties.

The bill would authorize the center to adopt a resolution to create a nonprofit corporation to undertake a project on behalf of the center, including certain projects necessary for commercial development and expansion of new or existing businesses. Directors of the TexAmericas Center board would have to appoint the members of the board of directors of the nonprofit. Board members would not be required to reside in the district.

A board member or employee of the TexAmericas Center could simultaneously serve as a member of the board of directors of a nonprofit corporation. That member or employee could participate in all votes relating to the business of the center or the nonprofit, regardless of statutory prohibition.

A nonprofit corporation created by the center could not exercise the power of eminent domain. The nonprofit would be subject to requirements of Government Code, ch. 551 and 552, relating to open meetings and public information.

The bill would take effect September 1, 2017.

**SUPPORTERS
SAY:**

CSHB 967 would give express authorization for the TexAmericas Center to promote regional economic development and job creation in the area. The center should be a player in bringing jobs back to the area which once held an army ammunition plant. Rural areas in the district have few resources available for large construction or development projects and have to rely on TexAmericas.

The bill also would allow the TexAmericas Center to create a nonprofit to manage functions the center already can perform, such as commercial development and expansion of new or existing businesses. The center already can establish nonprofit corporations for landholding purposes, and these nonprofits would not have the ability to tax. The nonprofits simply would be a tool to foster economic development.

The TexAmericas Center has worked with local leadership on the bill to ensure that its management of economic development in the area would be appropriate and wanted.

**OPPONENTS
SAY:**

CSHB 967 would expand the powers of the TexAmericas Center beyond the realm of what a local government entity should do by allowing the center to manage the economic development of the area. Private vendors should be involved in this process, not the government.

NOTES:

The committee substitute differs from the filed bill in that CSHB 967:

- specifies that the TexAmericas Center could promote regional economic development outside the district boundaries only in Bowie County and adjacent counties;

- would prohibit a nonprofit created under the bill from exercising eminent domain; and
- would subject a nonprofit to certain statutes relating to open meetings and public information.

A companion bill, SB 1331 by Hughes, was reported favorably from the Senate Committee on Intergovernmental Relations on April 26 and recommended for the local and uncontested calendar.